

State of Montana
457 Deferred Compensation Plan
December 31, 2006 Review

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Statement of Objectives

Objective

The objective of this document is to review the mutual funds and commingled fund options in the 457 Deferred Compensation Plan for the State of Montana. The analysis covers the trailing one-, three-, and five-year periods ending December 31, 2006. Fund performance and risk are measured versus the criteria set forth in the Plan's Investment Policy Statement.

Overview

Section Two contains Arnerich Massena & Associates' summary review of funds in the 457 Deferred Compensation Plan and any resultant recommendations. This section also includes one-, three-, and five-year return and risk scatter plots for all the funds and relevant indices. Section Three contains the attribution pages that provide performance, characteristic and characteristic information for each of the funds in the 457 Plan. Section Four contains a glossary, descriptions of widely used indices, and notes.

Attribution Pages

The attribution pages for each fund contain the following information: 1) Sector Weights, 2) Country Weights (on International and Global portfolios), 3) Portfolio Characteristics, 4) Portfolio Statistics, 5) Russell/Mellon Analytics Return Percentile Rank, 6) Growth of Assets in Style, 7) Net Historical Performance, 8) Rolling Three-Year Performance Chart, 9) Up/Down Market Capture Chart, 10) Risk/Return Chart (on US Equity portfolios), 11) Manager Information, 12) Top Ten Holdings, 13) Portfolio Fee Information and 14) Fund Strategy. Equity portfolio sector weights represent the percentage of the portfolio exposure in eleven different sectors. Fixed income sector weights represent the percentage of the portfolio exposure in six different sectors. International and global country weights represent the exposure to different countries and regions. All of these measures are presented versus a benchmark. Portfolio characteristics describe such items as bond quality and maturity, equity market capitalization ranges and averages, the number of holdings and the top ten holdings as of the end of the period.

Risk Statistics

Russell/Mellon Analytics rankings are based on relative performance within a defined group of similar products, with 1 being the highest relative to peers, and 100 being the lowest. The Morningstar rating is a "star" rating developed by that firm, where fund risk and return are quantified and then ranked versus other funds. The star rating system is based on a bell curve, where a risk-adjusted return that ranks in the top 10% versus the fund's category garners a five star rating. If the fund finishes in the next 22.5% it receives four stars, in the next 35% it receives three stars, in the next 22.5% it receives two stars and in the bottom 10% it receives one star. The Russell/Mellon Analytics Category comparisons are based on a specific group of funds. Russell/Mellon's style groups start with the funds in the Morningstar Categories. The funds must then pass multiple screens required for inclusion in a style group. This results in styles that are "pure" so that their risk/reward profiles and performance cycles are distinct, distinguishable, and relevant. The Up/Down Market Capture Ratios are determined by comparison to the respective index, which has an up/down-capture ratio of 100%. When the index is performing positively and a manager captures more than 100% of the rising market (i.e., it has an Up Market Capture Ratio of more than 100%) it is considered offensive. When the index is performing negatively and a manager captures less than 100% of the declining market (i.e., it has a Down Market Capture Ratio of less than 100%) it is considered defensive.

Statement of Objectives (continued)

Growth in Assets, Manager Profile, Fund Strategy, and Narrative

Growth in assets quantifies the change in assets over time. Arnerich Massena tracks asset growth because we believe that too many assets under management, especially in smaller capitalization strategies, can detract from performance. Net historical performance is presented against appropriate benchmarks. We report net because this is the performance that an investor actually receives. The manager profile provides tenure for fund's lead portfolio manager(s). The fund strategy states the objective and strategy of the fund, in terms of what its goals are and the process used to achieve them. Finally, Arnerich Massena has provided limited narrative and recommendations regarding each of the funds based on the previously defined criteria. These recommendations are summarized in the fund narrative and recommendations section with the exception of the State of Montana Stable Value funds and the Profile funds. Narratives and recommendations on these options may be found on their respective attribution pages.

Summary – 457 Deferred Compensation Plan

Broad Fund Summary

Below is the fund line-up for the 457 Deferred Compensation Plan as of December 31, 2006. Combined with three asset allocation funds there are a total of 22 options in the Plan. Arnerich Massena believes the current line-up of funds adequately covers all asset class and style requirements without excessive duplication. Please see the data sheets in Section Three for more detailed recommendations.

Fixed Income Funds

- Montana Fixed Fund -- PIMCO -- Retain
- PIMCO Total Return Admin -- Retain
- Neuberger Berman High Income Investor – Continue on Probation

Balanced Funds

- Dodge & Cox Balanced -- Retain

Asset Allocation Funds

- Montana Conservative -- Retain
- Montana Moderate -- Retain
- Montana Moderately Aggressive -- Retain

Large Cap Domestic Equity

- Davis NY Venture A -- Retain
- Vanguard Institutional Index -- Retain
- Fidelity Contrafund -- Retain
- Calvert Social Investment Equity A -- Retain
- TCW Select Equities N – Place on Probation

Mid Cap Domestic Equity

- Hotchkis & Wiley Mid Cap Value A -- Retain
- Munder Mid Cap Core Growth A -- Retain

Small Cap Domestic Equity

- Munder Small Cap Value -- Retain
- Neuberger Berman Genesis Trust -- Retain
- Vanguard Small Cap Index Admin -- Retain
- Managers AMG Essex Small/Micro Cap Growth A -- Retain

Summary – 457 Deferred Compensation Plan (continued)

Global

- American Funds New Perspective R4 -- Retain
- Mutual Discovery Z -- Retain

International Equity

- Dodge & Cox International Stock -- Retain
- Artisan International Investor – Retain

Fund Narrative & Recommendations - 457 Deferred Compensation Plan

PIMCO Total Return Admin

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
PIMCO Total Return Admin trailed the LB Aggregate Index in 2006, but outpaced the LB Agg and placed in the top quartile of its peer group over 3, 5, and 10 year periods. PIMCO's Sharpe Ratio is above the mean versus the Russell/Mellon fixed income peer group for all extended time periods presented. PIMCO Total Return exceeds all of the criteria set forth by the State's investment policy. Recommendation: Arnerich Massena recommends retaining the PIMCO Total Return.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²				
	3-Year	0.2	0.1	0.2	2002	Intermediate Bond	3-Year	★★★★★
					2003	Intermediate Bond		
	5-Year	0.9	0.7	0.8	2004	Intermediate Bond	5-Year	★★★★★
					2005	Intermediate Bond		
					2006	Intermediate Bond	10-Year	★★★★★

¹ Russell Category: Core Bond

² Index: LB Aggregate

Neuberger Berman High Income Bond Inv

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Neuberger Berman High Income Bond lagged the Lehman Brothers High Yield Index for the quarter and year. The Fund's lower-than-Index duration continued to play a critical role in the Fund underperformance as this offering is significantly more conservative than the Index and peer universe. The Fund's three-year Sharpe Ratio has fallen below that of the Index and peer group. Similar to the previous portfolio manager who left the firm in 2005, the Chicago-based team has focused their attention on the higher-quality range of the below-investment-grade market. They argue this segment of the market offers better risk-adjusted returns and can provide the coupon and principal stability they seek. This more conservative type of investment focus tends to show its strength during periods of weakness in the corporate bond market, an environment we haven't seen since 2002. Recommendation: Arnerich Massena recommends continuing the Neuberger Berman High Income Bond on probation due to the recent portfolio management turnover and weak performance relative to policy standards.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²				
	3-Year	0.7	1.2	1.3	2002	High Yield Bond	3-Year	★★
					2003	High Yield Bond		
	5-Year	1.4	1.1	1.1	2004	High Yield Bond	5-Year	★★
					2005	High Yield Bond		
					2006	High Yield Bond	10-Year	★★★★★

¹ Russell Category: High Yield

² Index: LB High Yield Int'l Ba

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

Dodge & Cox Balanced

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
Dodge & Cox Balanced has outperformed the US Balanced Index and placed in the top quartile of its peer group over all time periods presented. The Fund's value bias has been a significant tailwind in regards to performance for seven consecutive years. Peer group rankings and Sharpe Ratio statistics meet all requirements set forth by the State's investment policy statement. Morningstar has given Dodge and Cox either a five star Rating over all time periods. Recommendation: Arnerich Massena recommends retaining Dodge & Cox Balanced as the balanced option.	<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	1.8	1.1	1.1	2002	Balanced	3-Year ★★★★★
					2003	Balanced	
	5-Year	0.9	0.4	0.5	2004	Balanced	5-Year ★★★★★
					2005	Balanced	
					2006	Balanced	10-Year ★★★★★

¹ Russell Category: Balanced

² Index: US Balanced Index

Davis NY Venture Class A

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
Davis NY Venture struggled to keep pace with its respective benchmarks and peers in 2006 in what proved to be a rather challenging year for active managers. For the trailing three- and five-year time periods the Fund outperformed the S&P 500 Index, but lagged the Russell 1000 Value Index. The three- and five-year peer group rankings and Sharpe Ratio statistics meet the State's investment policy guidelines. It should be noted that these ratings are based on Morningstar's large cap value peer group, not the large cap blend peer group, which has put the Fund at a disadvantage given the Fund's more blend-like investment approach. When compared to blend options, the Fund has performed quite well over the past decade with a stable and impressive management team. Recommendation: Arnerich Massena recommends retaining Davis NY Venture A.	<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	1.7	1.6	1.1	2002	Large Cap Blend	3-Year ★★★★★
					2003	Large Cap Blend	
	5-Year	0.5	0.4	0.3	2004	Large Cap Blend	5-Year ★★★★★
					2005	Large Cap Blend	
					2006	Large Cap Blend	10-Year ★★★★★

¹ Russell Category: Large Value

² Index: S&P 500

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

Vanguard Institutional Index

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
The Vanguard Institutional Index is passively managed and as such has performed in-line with expectations. The Fund meets all investment policy criteria. Recommendation: Arnerich Massena recommends retaining the Fund as the Plan's large cap index option.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²				
	3-Year	1.1	0.9	1.1	2002	Large Cap Blend	3-Year	★★★
					2003	Large Cap Blend		
	5-Year	0.3	0.2	0.3	2004	Large Cap Blend	5-Year	★★★
					2005	Large Cap Blend		
					2006	Large Cap Blend	10-Year	★★★★★
¹ Russell Category: Large Blend								
² Index: S&P 500								

Fidelity Contrafund

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Fidelity Contrafund results in 2006 were strong relative to the large cap growth peer group. While the Fund was once again a standout performer versus large cap growth managers, it significantly trailed the S&P 500 Index for the year. The Fund meets all the criteria set forth in the State's investment policy statement. The fund's size is becoming quite large, however the manager has had success in spite of size. Recommendation: Arnerich Massena recommends retaining Fidelity Contrafund as the 457 Plan's active large cap blend option.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²				
	3-Year	1.8	0.9	1.1	2002	Large Cap Growth	3-Year	★★★★★
					2003	Large Cap Growth		
	5-Year	0.9	0.2	0.3	2004	Large Cap Growth	5-Year	★★★★★
					2005	Large Cap Growth		
					2006	Large Cap Growth	10-Year	★★★★★
¹ Russell Category: Large Blend								
² Index: S&P 500 Index								

Calvert Social Investor Equity A

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Calvert Social Investment Equity failed to outperform the S&P 500 Index for the fourth consecutive year. While most socially responsible funds are considered large blend funds and measured against those standards as we have done in the attribution section of our report. This fund is a growth tilted socially responsible option and when compared to the large growth universe, this fund meets the three- and five-year performance, peer group rankings, and Sharpe Ratio requirements of the State's investment policy criteria. Recommendation: Arnerich Massena recommends retaining the Calvert Social Investor Equity A as the socially responsible option.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²				
	3-Year	0.6	0.5	1.1	2002	Large Cap Growth	3-Year	★★★
					2003	Large Cap Growth		
	5-Year	0.2	0.1	0.3	2004	Large Cap Growth	5-Year	★★★★★
					2005	Large Cap Growth		
					2006	Large Cap Growth	10-Year	★★★★★
¹ Russell Category: Large Growth								
² Index: S&P 500 Index								

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

TCW Select Equity N

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
TCW Galileo Select Equities N had a rough go of it in 2006. Actively managed strategies, particularly those seeking companies with high growth prospects such as TCW, significantly trailed their respective indices and peers during the year. Given the Fund's concentrated investment approach, performance struggles such as those experienced in the 2005 and 2006 are not out of the norm for this strategy as the investment team consider themselves long-term investors and are willing to stick through difficult periods as long as the investment thesis for a stock remains intact. With the performance struggles of the past two years, the Fund now fails to meet the State's investment policy criteria on a three- or five-year basis. Recommendation: Arnerich Massena recommends placing TCW Select Equities on probation and continuing to monitor its performance over the coming year. If this fund's performance does not improve over 2007 it would be a candidate for replacement next year.	<i>Manager</i>	<i>Category</i>	<i>Mean¹</i>	<i>Index²</i>				
	3-Year	0.0	0.5	1.1	2002	Large Cap Growth	3-Year	★
					2003	Large Cap Growth		
	5-Year	0.0	0.1	0.3	2004	Large Cap Growth	5-Year	★★
					2005	Large Cap Growth		
					2006	Large Cap Growth	10-Year	★★★
¹ Russell Category: Large Growth ² Index: S&P 500 Index								

Hotchkis & Wiley Mid Cap Value A

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Hotchkis & Wiley Mid Cap Value A posted quite impressive absolute results for the year, however, the results only placed them near the median mid cap value manager for the year. As with most active managers, the Fund trailing the Russell Mid Cap Value Index by a rather significant margin. Despite the near-term weakness, the Fund's longer-term peer group rankings and Sharpe Ratio statistics remain well above median versus the Russell/Mellon mid cap value peer group. Hotchkis & Wiley has received the highest Morningstar Rating possible for the five-year time period. Recommendation: Arnerich Massena recommends retaining Hotchkis & Wiley as the Plan's mid cap value option.	<i>Manager</i>	<i>Category</i>	<i>Mean¹</i>	<i>Index²</i>				
	3-Year	1.6	1.7	1.5	2002	Mid Cap Value	3-Year	★★★
					2003	Mid Cap Value		
	5-Year	0.8	0.7	0.7	2004	Mid Cap Value	5-Year	★★★★★
					2005	Mid Cap Value		
					2006	Mid Cap Value	10-Year	N/A
¹ Russell Category: Mid Value ² Index: Russell Mid Cap								

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

Munder Mid-Cap Core Growth A

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Munder Mid-Cap Core Growth A replaced Artisan Mid Cap Investors as the 457 Plan's mid cap growth option. The Fund slightly underperformed in the fourth quarter but overall had rather impressive results for the year placing near the top third of mid cap growth peers. Long-term results for the Fund remain exceptionally strong. The Fund meets all the criteria set forth in the State's investment policy statement on both the three- and five-year basis while receiving a 4 and 5 star rating from Morningstar over the past three- and five-year periods respectively. Recommendation: Arnerich Massena recommends retaining Munder Mid-Cap Core Growth as the 457 Plan's mid cap growth option.		<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	1.2	0.7	1.5	2002	Mid Growth	3-Year	★★★★★
					2003	Mid Growth		
	5-Year	0.7	0.3	0.7	2004	Mid Growth	5-Year	★★★★★
					2005	Mid Growth		
					2006	Mid Growth	10-Year	N/A
		¹ Russell Category: Mid Growth						
		² Index: Russell Mid Cap						

Munder Small Cap Value Y

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
	<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
Munder Small Cap Value Y had challenging year in 2006. An interesting dynamic occurred in small cap stocks in 2006 as the returns achieved in the asset class in recent years spurred significant demand the space. As a result, investors flooded into ETF's at record levels pushing valuations of holding within each respective Index to all-time highs while largely ignoring the underlying fundamentals of each respective company. The indices were clearly the beneficiary of these asset flows while managers such as Munder who pride themselves in finding value outside of the Index struggled to keep pace. With the near term performance weakness, the Fund now falls below the State's Sharpe Ratio and peer group criteria on a three year basis, however five-year results remain quite impressive. Recommendation: Arnerich Massena recommends retaining Munder Small Cap Value Y as the 457 Plan's active small cap value option.	3-Year	1.0	1.2	0.8	2002	Small Cap Blend	3-Year ★★★★★
					2003	Small Cap Blend	
	5-Year	0.8	0.7	0.5	2004	Small Cap Blend	5-Year ★★★★★
					2005	Small Cap Blend	
					2006	Small Cap Blend	10-Year ★★★★★
					¹ Russell Category: Small Value		
					² Index: Russell 2000		

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

Neuberger Berman Genesis Trust

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Neuberger Berman Genesis struggled once again in 2006 after rewarding patient investors in 2005 with strong performance. The fund has migrated from its early origins as primarily a small cap fund and is now holding over 60% mid cap stocks. The Morningstar Category shift to Mid Cap/Mid Cap Growth has been occurring over the last several years. The MPERB recognized this in last years review and was willing to continue to the fund in that multi-cap/mid cap category. The fund continues to meet the Morningstar star rankings test, sharpe ratio test, and when viewed in its multi-cap/mid cap growth category meets the relative performance criteria. Recommendation: Based on last years decision regarding categorization, Arnerich Massena recommends retaining the fund in the multi-cap / mid cap category in which the MPERB placed it last year.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²				
	3-Year	1.3	1.2	0.8	2002	Small Cap Growth	3-Year	★★★★
					2003	Mid Cap Growth		
	5-Year	1.0	0.7	0.5	2004	Mid Cap Growth	5-Year	★★★★
					2005	Mid Cap Growth		
					2006	Mid Cap Growth	10-Year	★★★★
¹ Russell Category: Small Value								
² Index: Russell 2000								

Vanguard Small Cap Index Admin

Fund Narrative	Portfolio Statistics - Sharpe Ratio				Morningstar Category Shift		Morningstar Rating	
Vanguard Small Cap Index was added the 457 Plan in 2006 to provide investors with a low-cost option to get exposure to small cap stocks. The Fund continued to do an exceptional job tracking the MSCI US Small Cap 1750 Index which slightly underperformed the more traditionally used small cap index, the Russell 2000 Index, for the year. The Fund meets all of the investment policy guidelines set forth by the State. Recommendation: Arnerich Massena recommends retaining Vanguard Small Cap Index as the 457 Plan's passively managed small cap option.		<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	1.0	0.8	0.8	2002	Small Cap Blend	3-Year	★★★★★
					2003	Small Cap Blend		
	5-Year	0.5	0.5	0.5	2004	Small Cap Blend	5-Year	★★★
					2005	Small Cap Blend		
					2006	Small Cap Blend	10-Year	★★
	¹ Russell Category: Small Blend							
² Index: Russell 2000								

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

Managers AMG Essex Sm/Micro Cap Growth A

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
Managers AMG Essex Sm/Micro Cap Growth replaced RS Diversified Growth as the 457 Plan's small cap growth option in 2006. Performance results in 2006 were less than inspiring as the Fund trailed its respective indices and placed below the median manager in the small cap growth peer universe. Trailing three- and five-year performance remains quite impressive versus its respective benchmarks and peers. The Fund meets all of the State's investment policy criteria. Recommendation: Arnerich Massena recommends retaining Managers AMG Essex Sm/Micro Cap Growth as the 457 Plan's small cap growth option.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²			
	3-Year	0.5	0.5	0.8	2002	N/A	3-Year ★★★
	5-Year	0.5	0.3	0.5	2003	Small Cap Growth	5-Year N/A
					2004	Small Cap Blend	
					2005	Small Cap Growth	
					2005	Small Cap Growth	10-Year N/A

¹ Russell Category: Small Growth

² Index: Russell 2000

American Funds New Perspective R4

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
American Funds New Perspective fell slightly short of the investment pace set by the MSCI ACWI Index in 2006. The primary positive driver of performance for the Fund was the overweight to foreign stocks in lieu of US based companies. The Fund's overweight in Europe dampened performance for the period. The Fund meets all investment policy criteria set forth by the State with the exception of the three-year peer ranking and Morningstar Rating at the 57th percentile. However the funds 5 year peer group ranking is at the 42nd percentile. Recommendation: Arnerich Massena recommends retaining American Funds New Perspective fund as the Plan's global option.		<u>Manager</u>	<u>Category Mean</u> ¹	<u>Index</u> ²			
	3-Year	1.4	1.3	1.6	2002	World Stock	3-Year ★★
	5-Year	0.6	0.5	0.6	2003	World Stock	5-Year ★★★
					2004	World Stock	
					2005	World Stock	
					2006	World Stock	10-Year ★★★★★

¹ Russell Category: Global

² Index: MSCI ACWI

Fund Narrative & Recommendations - 457 Deferred Compensation Plan (continued)

Mutual Discovery Z

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
Mutual Discovery Z posted another strong year in 2006, however, slightly underperformed the MSCI ACWI Value. The Fund did outpace the asset class benchmark and the vast majority of its global peers. Peer group rankings and Sharpe Ratio statistics are excellent over all time periods. The Fund received five star Morningstar Ratings for the three-, five- and ten-year time periods. Recommendation: Arnerich Massena recommends retaining Mutual Discovery Z as the 457 Plan's global value option.	<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	2.1	1.3	1.6	2002	World Stock	3-Year ★★★★★
					2003	World Stock	
	5-Year	1.1	0.5	0.6	2004	World Stock	5-Year ★★★★★
					2005	World Stock	
					2006	World Stock	10-Year ★★★★★
					¹ Russell Category: Non-US Equity ² Index: MSCI ACWI		

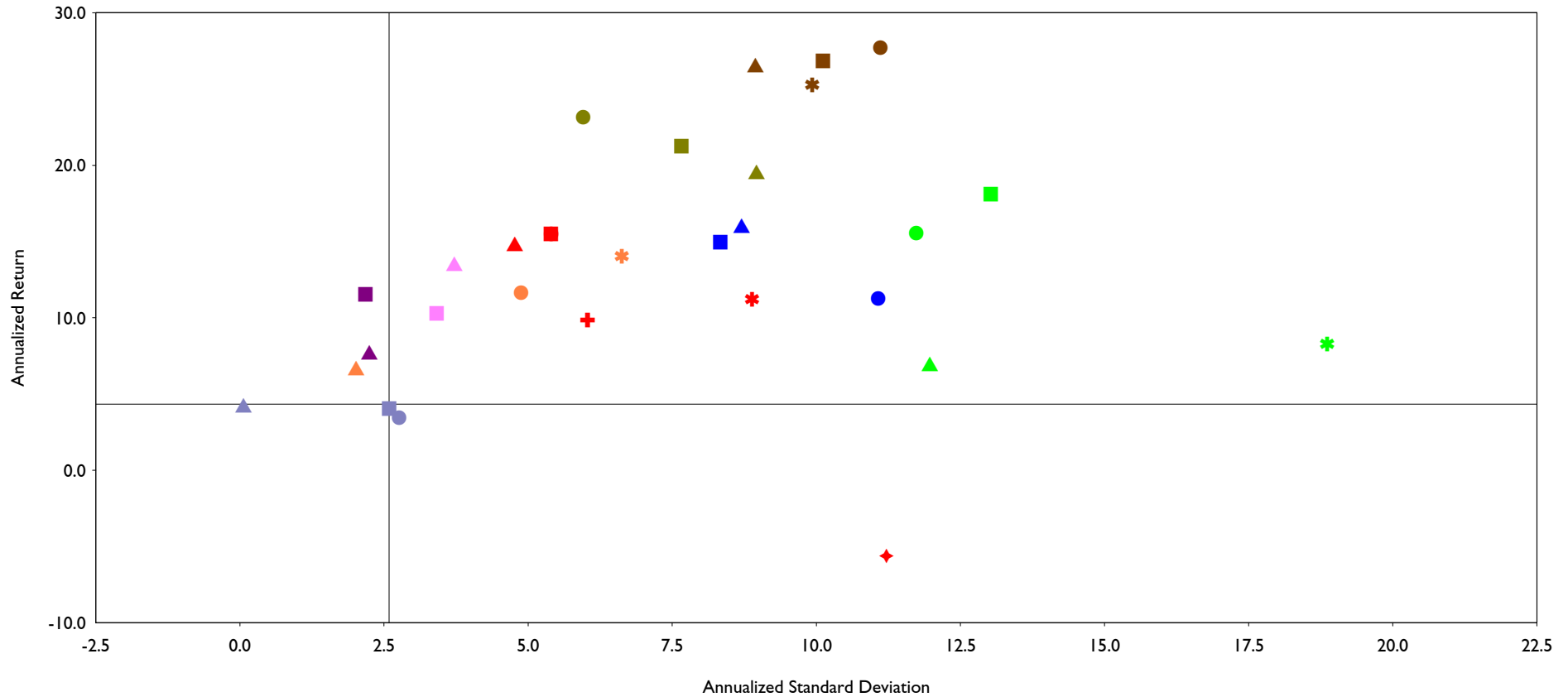
Dodge & Cox International Stock

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
Dodge & Cox International Stock replaced Templeton Foreign A as the 457 Plan's international value option. The Fund produced a rather astonishing absolute return for the year but was slightly off the pace set by the MSCI ACWI ex-US Value Index. Long-term results remain outstanding with the Fund ranking within the top 5th percentile over the trailing three- and five-year periods. The Fund meets all of the investment policy criteria established by the State on both a three- and five-year basis. Recommendation: Given the availability of high quality international value investment managers, Arnerich Massena recommends retaining Dodge & Cox International Stock as the 457 Plan's international value option.	<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	2.4	1.6	1.8	2002	Int'l Value	3-Year ★★★★★
					2003	Int'l Value	
	5-Year	0.9	0.7	0.8	2004	Int'l Value	5-Year ★★★★★
					2005	Int'l Value	
					2006	Int'l Value	10-Year N/A
					¹ Russell Category: Non-US Equity ² Index: MSCI ACWI ex-US		

Artisan International Investor

Fund Narrative	Portfolio Statistics - Sharpe Ratio			Morningstar Category Shift		Morningstar Rating	
Artisan International Investor finished 2006 with rather impressive investment results given the value-bias that was apparent in all equity markets. The Fund outpaced the MSCI ACWI ex-US growth for the year while slightly underperforming the broad asset class benchmark. Changing demographics, developing technology, privatization of economic resources and outsourcing remain the dominant themes in the Fund. With back-to-back years of strong performance, the Fund meets all of the State's investment policy criteria on a three-year basis with the exception of the Sharpe Ratio. The Fund's three-year performance now places near the top third manager in broad international peer group. Recommendation: Arnerich Massena recommends retaining the Artisan International fund as the foreign large cap growth option.	<i>Manager</i>	<i>Category Mean</i> ¹	<i>Index</i> ²				
	3-Year	1.4	1.6	1.8	2002	Int'l Blend	3-Year ★★★★★
					2003	Int'l Blend	
	5-Year	0.5	0.7	0.8	2004	Int'l Growth	5-Year ★★★★★
					2005	Int'l Blend	
					2006	Int'l Growth	10-Year ★★★★★
					¹ Russell Category: Non-US Equity ² Index: MSCI ACWI ex-US		

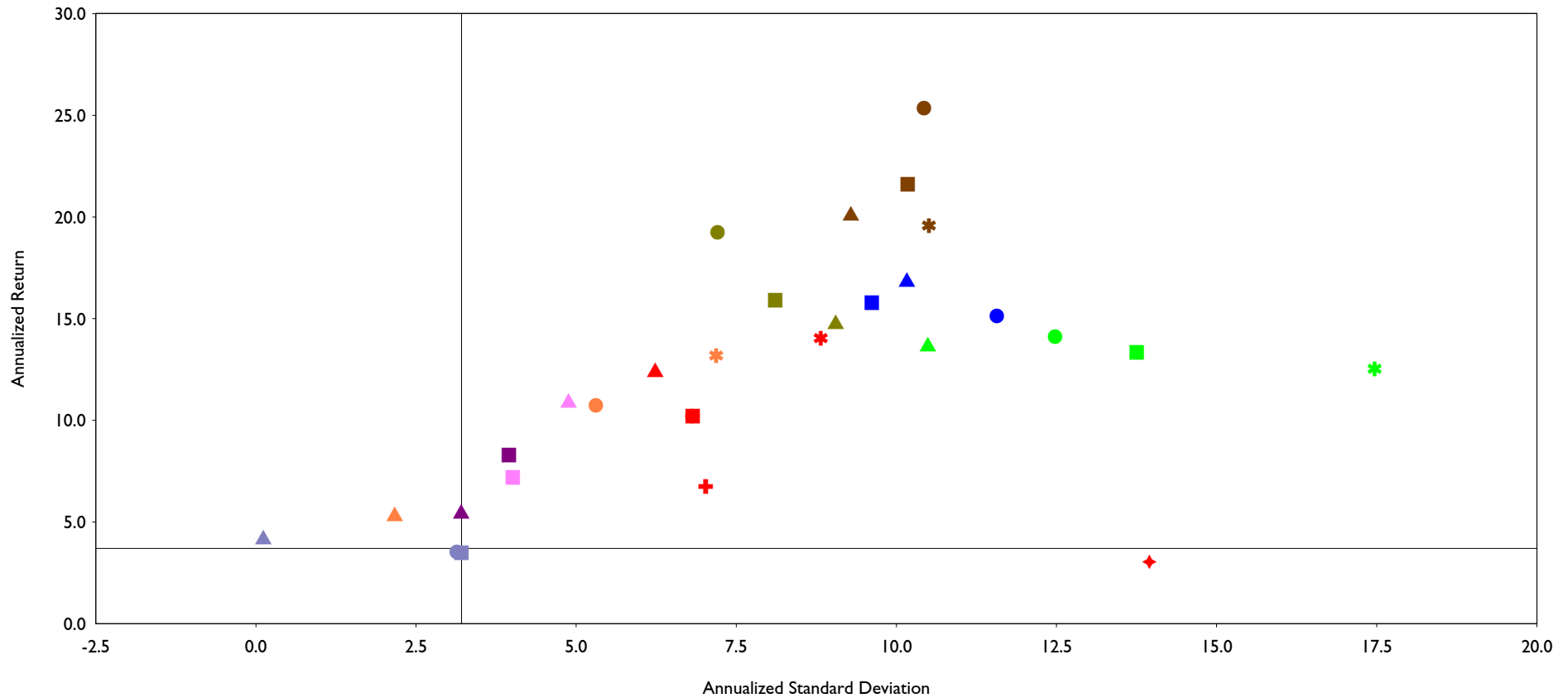
State of Montana Deferred Compensation Plan Manager Risk & Return 1-Year ending December 31, 2006



■ LB Aggregate Index	▲ Montana Stable Value 457	● PIMCO Total Ret Admin	■ LB High Yield Index
▲ Neuberger Ber HInc Bd Inv	■ US Balanced Index	▲ Dodge & Cox Balanced	▲ Conservative Asset Allocation Fund
● Moderate Asset Allocation Fund	★ Moderately Aggressive Asset Allocation Fund	■ S&P 500 Index	▲ Davis NY Venture A
● Vanguard Inst Idx	★ Fidelity Contrafund	✚ Calvert Soc Inv Equity A	✚ TCW Select Equities N
■ Russell Mid Cap Index	▲ Hotchkiss Wiley Md Val A	● Munder Mid-Cap Core Gr A	■ Russell 2000 Index
▲ Neuberger Ber Genesis Tr	● Vanguard SmCp Idx Adm	★ Managers AMGEsSmMrCpGrA	■ MSCI ACWI
▲ Amer Funds New Persp R4	● Mutual Discovery Z	■ MSCI ACWI ex-US	▲ MSCI EAFE Index
● Dodge & Cox Intl Stock	★ Artisan International Inv		

State of Montana Deferred Compensation Plan

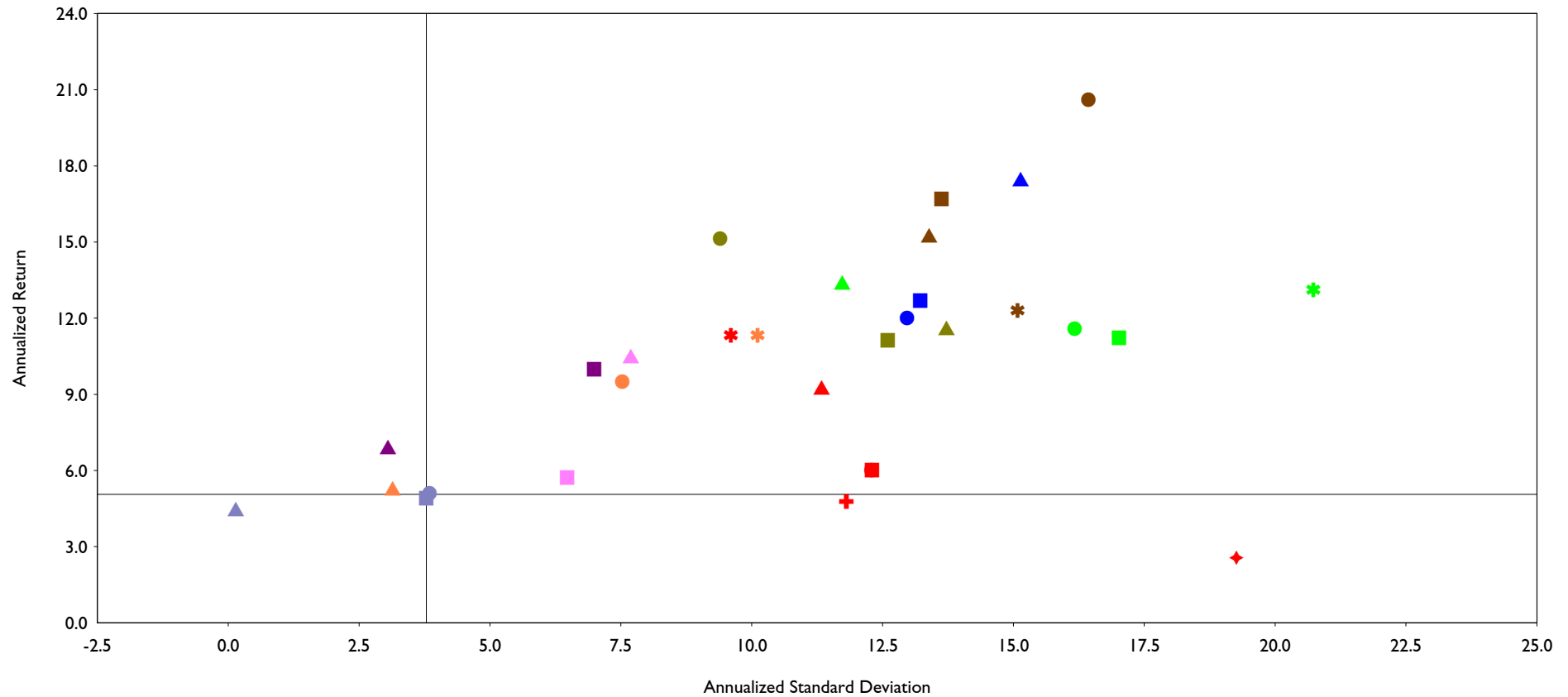
Manager Risk & Return 3-Year ending December 31, 2006



■ LB Aggregate Index	▲ Montana Stable Value 457	● PIMCO Total Ret Admin	■ LB High Yield Index
▲ Neuberger Ber HInc Bd Inv	■ US Balanced Index	▲ Dodge & Cox Balanced	▲ Conservative Asset Allocation Fund
● Moderate Asset Allocation Fund	✱ Moderately Aggressive Asset Allocation Fund	■ S&P 500 Index	▲ Davis NY Venture A
● Vanguard Inst Idx	✱ Fidelity Contrafund	✱ Calvert Soc Inv Equity A	✱ TCW Select Equities N
■ Russell Mid Cap Index	▲ Hotchkis Wiley Md Val A	● Munder Mid-Cap Core Gr A	■ Russell 2000 Index
▲ Neuberger Ber Genesis Tr	● Vanguard SmCp Idx Adm	✱ Managers AMGEsSmMrCpGrA	■ MSCI ACWI
▲ Amer Funds New Persp R4	● Mutual Discovery Z	■ MSCI ACWI ex-US	▲ MSCI EAFE Index
● Dodge & Cox Intl Stock	✱ Artisan International Inv		

State of Montana Deferred Compensation Plan

Manager Risk & Return 5-Year ending December 31, 2006



- | | | | |
|----------------------------------|---|----------------------------|--------------------------------------|
| ■ LB Aggregate Index | ▲ Montana Stable Value 457 | ● PIMCO Total Ret Admin | ■ LB High Yield Index |
| ▲ Neuberger Ber HInc Bd Inv | ■ US Balanced Index | ▲ Dodge & Cox Balanced | ▲ Conservative Asset Allocation Fund |
| ● Moderate Asset Allocation Fund | ★ Moderately Aggressive Asset Allocation Fund | ■ S&P 500 Index | ▲ Davis NY Venture A |
| ● Vanguard Inst Idx | ★ Fidelity Contrafund | ✚ Calvert Soc Inv Equity A | ◆ TCW Select Equities N |
| ■ Russell Mid Cap Index | ▲ Hotchkis Wiley Md Val A | ● Munder Mid-Cap Core Gr A | ■ Russell 2000 Index |
| ▲ Neuberger Ber Genesis Tr | ● Vanguard SmCp Idx Adm | ★ Managers AMGEsSmMrCpGrA | ■ MSCI ACWI |
| ▲ Amer Funds New Persp R4 | ● Mutual Discovery Z | ■ MSCI ACWI ex-US | ▲ MSCI EAFE Index |
| ● Dodge & Cox Intl Stock | ★ Artisan International Inv | | |

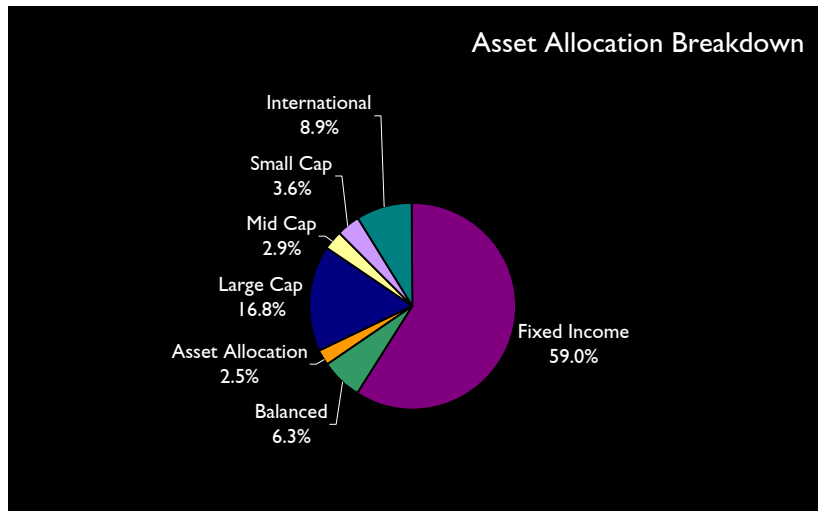
State of Montana Deferred Compensation Plan

For Period Ending December 31, 2006

Fixed Income			59.00%
Montana Fixed Fund	\$	160,660,639	58.12%
PIMCo Total Return Adm	\$	1,982,273	0.72%
Neuberger & Berman High Inc	\$	427,963	0.15%
FIXED INCOME TOTAL	\$	163,070,875	

Balanced			6.27%
Dodge & Cox Balanced	\$	17,330,205	6.27%
BALANCED TOTAL	\$	17,330,205	

Asset Allocation			2.52%
Conservative Asset Allocation	\$	237,675	0.09%
Moderate Asset Allocation	\$	2,896,666	1.05%
Moderately Aggressive Allocation	\$	3,831,918	1.39%
ASSET ALLOCATION TOTAL	\$	6,966,259	



Large Cap			16.77%
Vanguard Inst'l Index	\$	13,222,777	4.78%
Fidelity ContraFund	\$	17,457,415	6.32%
TCW Select Equity N	\$	1,292,718	0.47%
Davis New York Venture A	\$	13,747,860	4.97%
Calvert Social Inv Equity A	\$	625,874	0.23%
LARGE CAP TOTAL	\$	46,346,643	


Mid Cap			2.94%
H&W Mid Cap Val A	\$	4,982,681	1.80%
Munder Mid Cap Core Grw A	\$	3,150,861	1.14%
MID CAP TOTAL	\$	8,133,542	





Small Cap			3.57%
Vanguard Sm Cap Index Adm	\$	488,342	0.18%
Neuberger Ber Genesis Tr	\$	6,242,650	2.26%
Mgr Essex Sm/Micro Grw	\$	1,800,439	0.65%
Munder Small Cap Value	\$	1,349,938	0.49%
SMALL CAP TOTAL	\$	9,881,368	

International			8.93%
Amer Funds New Persp R4	\$	7,542,231	2.73%
Mutual Discovery Z	\$	8,908,990	3.22%
Artisan International Inv	\$	3,603,119	1.30%
Dodge & Cox International Stk	\$	4,629,118	1.67%
INTERNATIONAL TOTAL	\$	24,683,459	

TOTAL ACCOUNT \$ **276,412,352**


State of Montana Deferred Contribution Plan
Performance Results as of December 31, 2006





 This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
Montana Stable Value 457	1.2	4.6	4.6	4.5	4.7
LB Gov/Credit Bond + 0.35%	1.1	5.1	5.1	4.1	5.7
Short Term Fixed MF Mean	1.1	4.3	4.3	2.5	3.3
PIMCO Total Ret Admin	0.9	3.7	3.7	3.7	5.3
LB Agg Index	1.2	4.3	4.3	3.7	5.1
Interm Fixed MF Mean	1.3	4.1	4.1	3.3	4.6
Neuberger Ber HInc Bd Inv	3.8	8.0	8.0	5.8	7.1
LB High Yield Index	4.2	11.8	11.8	8.5	10.2
High Yield Fixed MF Mean	3.9	10.0	10.0	7.5	8.9
					
Dodge & Cox Balanced	4.9	13.9	13.9	11.2	10.7
US Balanced Index	4.2	10.6	10.6	7.4	5.9
Balanced MF Mean	4.6	10.7	10.7	7.8	5.8
^Montana St Conservative AAF	2.4	7.0	7.0	5.6	5.5
^Montana St Conservative Index	3.4	9.1	9.1	6.6	6.1
US Balanced Index	4.2	10.6	10.6	7.4	5.9
Balanced MF Mean	4.6	10.7	10.7	7.8	5.8
					
^Montana St Moderate AAF	5.1	11.9	11.9	11.0	9.7
^Montana St Moderate Index	5.5	13.2	13.2	10.4	9.1
US Balanced Index	4.2	10.6	10.6	7.4	5.9
Balanced MF Mean	4.6	10.7	10.7	7.8	5.8

- ▶ Performance Results reflect total fund return (including the effect of any income dividends and/or capital gain distributions) and are NET of Management Fee and/or Expense Ratios.
- ▶ The peer group returns on this performance table are for the average manager in the peer group. Many Investment Policy Statements benchmark manager performance relative to the median manager in the peer group. There can be significant variance between average and median performance. Please consider this possibility when evaluating a particular manager's performance.
- ▶ Symbols do not apply for index funds.


State of Montana Deferred Contribution Plan
Performance Results as of December 31, 2006

 This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
^Montana St Mod Aggress AAF	6.5	14.3	14.3	13.4	11.5
<i>^Montana St Mod Aggress Index</i>	7.0	16.1	16.1	12.7	10.2
<i>US Balanced Index</i>	4.2	10.6	10.6	7.4	5.9
Balanced MF Mean	4.6	10.7	10.7	7.8	5.8
Vanguard Inst Idx	6.7	15.8	15.8	10.4	6.2
<i>S&P 500 Index</i>	6.7	15.8	15.8	10.4	6.2
Lg Cap Broad MF Mean	6.3	12.4	12.4	9.3	5.2
Fidelity Contrafund	6.4	11.5	11.5	14.3	11.5
<i>S&P 500 Index</i>	6.7	15.8	15.8	10.4	6.2
Lg Cap Broad MF Mean	6.3	12.4	12.4	9.3	5.2
Calvert Soc Inv Equity A	4.7	10.2	10.2	7.0	5.0
<i>S&P 500 Index</i>	6.7	15.8	15.8	10.4	6.2
Lg Cap Broad MF Mean	6.3	12.4	12.4	9.3	5.2
					
TCW Select Equities N	4.1	-5.3	-5.3	3.3	2.7
<i>Russell 1000 Gr Index</i>	5.9	9.1	9.1	6.9	2.7
<i>S&P 500 Index</i>	6.7	15.8	15.8	10.4	6.2
Lg Cap Gr MF Mean	5.4	6.2	6.2	7.7	4.0
					

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State of Montana Deferred Contribution Plan
Performance Results as of December 31, 2006


 This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.




	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
Davis NY Venture A	7.6	15.1	15.1	12.7	9.4
<i>Russell 1000 Val Index</i>	8.0	22.2	22.2	15.1	10.9
<i>S&P 500 Index</i>	6.7	15.8	15.8	10.4	6.2
<i>Lg Cap Val MF Mean</i>	7.2	17.9	17.9	12.4	8.2
Munder Mid-Cap Core Gr A	6.3	11.6	11.6	15.3	12.2
<i>Russell MC Gr Index</i>	6.9	10.7	10.7	12.7	8.2
<i>Russell Mid Cap Index</i>	7.7	15.3	15.3	16.0	12.9
<i>Mid Cap Gr MF Mean</i>	6.7	9.6	9.6	11.0	6.4
Hotchkis Wiley Md Val A	7.9	16.3	16.3	17.1	17.7
<i>Russell MC Val Index</i>	8.5	20.2	20.2	18.8	15.9
<i>Russell Mid Cap Index</i>	7.7	15.3	15.3	16.0	12.9
<i>Mid Cap Val MF Mean</i>	7.9	16.2	16.2	15.1	12.9
Vanguard SmCp Idx Adm	8.5	15.8	15.8	14.3	11.8
<i>Russell 2000 Index</i>	8.9	18.4	18.4	13.6	11.4
<i>Sm Cap Broad MF Mean</i>	8.1	13.5	13.5	12.0	10.6
Managers AMGEsSmMrCpGrA	8.2	8.5	8.5	12.7	13.3
<i>Russell 2000 Gr Index</i>	8.8	13.3	13.3	10.5	6.9
<i>Russell 2000 Index</i>	8.9	18.4	18.4	13.6	11.4
<i>Sm Cap Gr MF Mean</i>	8.0	11.4	11.4	9.8	7.0

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State of Montana Deferred Contribution Plan

Performance Results as of December 31, 2006

 This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
Neuberger Ber Genesis Tr	6.3	7.3	7.3	14.0	13.6
Russell 2000 Val Index	9.0	23.5	23.5	16.5	15.4
Russell 2000 Index	8.9	18.4	18.4	13.6	11.4
Sm Cap Val MF Mean	8.7	17.1	17.1	14.4	14.1
					
Munder Small-Cap Value Y	7.1	10.8	10.8	14.4	15.9
Russell 2000 Val Index	9.0	23.5	23.5	16.5	15.4
Russell 2000 Index	8.9	18.4	18.4	13.6	11.4
Sm Cap Val MF Mean	8.7	17.1	17.1	14.4	14.1
Amer Funds New Persp R4	8.1	19.8	19.8	15.1	11.8
MSCI ACWI	9.2	21.5	21.5	16.1	11.3
World Eq MF Mean	9.4	20.0	20.0	14.3	10.4
Mutual Discovery Z	8.9	23.4	23.4	19.4	15.3
MSCI ACWI	9.2	21.5	21.5	16.1	11.3
World Eq MF Mean	9.4	20.0	20.0	14.3	10.4
Artisan International Inv	10.5	25.6	25.6	19.8	12.5
MSCI ACWI Gr ex-US	10.6	24.0	24.0	19.3	14.3
MSCI ACWI ex-US	11.2	27.2	27.2	21.8	16.9
Non-US Eq MF Mean	10.3	25.2	25.2	19.3	13.8
					
Dodge & Cox Intl Stock	11.4	28.0	28.0	25.6	20.8
MSCI ACWI Val ex-US	11.8	30.4	30.4	24.3	19.4
MSCI ACWI ex-US	11.2	27.2	27.2	21.8	16.9
Non-US Eq MF Mean	10.3	25.2	25.2	19.3	13.8

- ▶ Performance Results reflect total fund return (including the effect of any income dividends and/or capital gain distributions) and are NET of Management Fee and/or Expense Ratios.
- ▶ The peer group returns on this performance table are for the average manager in the peer group. Many Investment Policy Statements benchmark manager performance relative to the median manager in the peer group. There can be significant variance between average and median performance. Please consider this possibility when evaluating a particular manager's performance.
- ▶ Symbols do not apply for index funds.

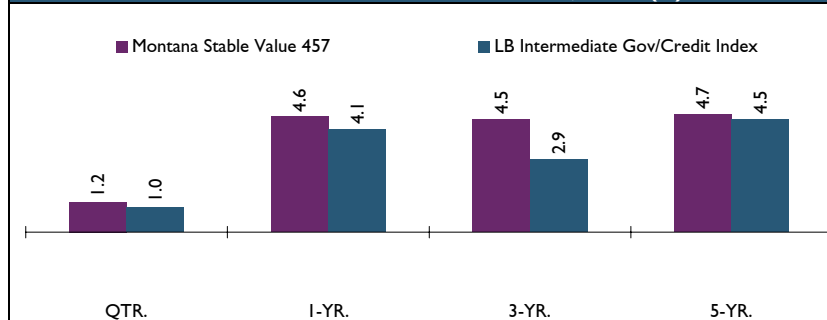
State of Montana Stable Value -- PIMCO Fixed Fund

Holdings-Based Analysis as of September 30, 2006

Sector Weights		Portfolio Characteristics					
U.S. Governments		Percent of Portfolio		Maturity	Percent of Portfolio		
		Manager	Index		Manager	Index	
	35.0%	US Govt/Agency	33.0%	0.0%	0-1 yrs.	11.0%	1.0%
	63.1%	AAA	56.0%	67.0%	1-3 yrs.	35.0%	40.0%
		AA	5.0%	9.0%	3-5 yrs.	19.0%	25.0%
		A	2.0%	13.0%	5-10 yrs.	34.0%	34.0%
		BBB	3.0%	11.0%	10-20 yrs.	4.0%	0.0%
		<BBB	1.0%	0.0%	20+ yrs.	3.0%	0.0%
		Weighted Avg. Quality	AAA	AAA	Avg. Duration (yrs.)	3.7	1.8
		Yield to Maturity	5.4%	4.9%	Avg. Maturity (yrs.)	3.1	1.9
Mortgages	15.0%						
Corporates	2.0%						
	36.9%						
Asset Backed							
Foreign	1.0%						
Other*	3.0%						
Cash	44.0%						

*Other investments may include asset backed securities, yankee/euro bonds, convertibles, and municipal bonds.

Net Historical Performance as of December 31, 2006 (%)



Russell Percentile Rank*					Growth of Assets in Plan (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.	2002	2003	2004	2005	2006
9 (22)	14 (22)	9 (22)	24 (23)	N/A	\$133	\$145	\$145	\$151	\$161

*Percentile Rank is based on the Russell universe of stable value portfolios, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Fund Narrative

The Fund has outperformed the LB Intermediate Government/Credit Index during the last year, and has outpaced the Index over longer time periods. Performance is a reflection of the longer duration of the portfolio and is in-line with our expectations. Sharpe Ratio figures are not provided because the lack of volatility produces non-meaningful results. **Recommendation:** Arnerich Massena recommends the State retain PIMCO as their Stable Value option.

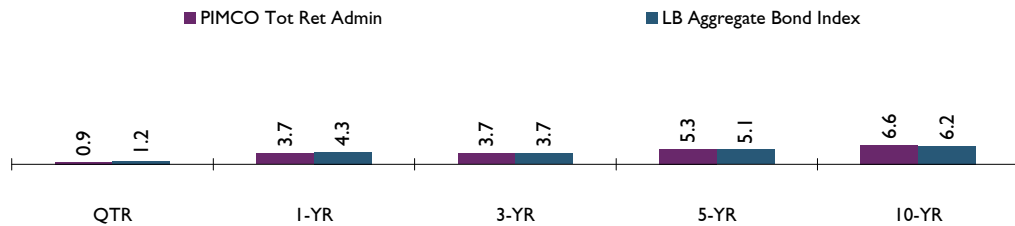
PIMCO Total Return Admin

Holdings-Based Analysis

Portfolio Sector Weights ¹ 09/30/06		Portfolio Characteristics	Portfolio Statistics 12/31/06		
U.S. Governments	0.8% 35.7%	Average Duration (yrs.) (09/30/06)	5.5	Vs. Asset Class Benchmark	
		Average Maturity (yrs.) (09/30/06)	7.0	Manager Index	
Mortgages	18.4% 40.0%	Average Quality (09/30/06)	AA	Standard Deviation (%)	
		Portfolio Information		3-Year 3.13 3.21	
U.S. Credit	5.4% 23.1%	Expense Ratio (09/30/06)	0.68%	5-Year 3.85 3.78	
		12b-1 Fee Included (09/30/06)	0.25%	Beta (Benchmark Specific Risk)	
Non-US	0.3% 0.0%	Morningstar Average (07/31/06)	1.03%	3-Year 0.97 1.00	
		Minimum Investment (09/30/06)	\$5,000,000	5-Year 1.00 1.00	
Asset Backed	1.3% 1.2%	Top Holdings 09/30/06		Alpha (Added Value Relative to Benchmark)	
		Company	% of Portfolio	3-Year 0.1% N/A	
Cash	73.8% 0.0%	EuroDollar (Fut)	13.5%	5-Year 0.2% N/A	
		EuroDollar (Fut)	12.4%	Sharpe Ratio	
		EuroDollar (Fut)	10.6%	3-Year 0.24 0.22	
		EuroDollar (Fut)	10.4%	5-Year 0.76 0.72	
		EuroDollar (Fut)	10.3%	R-Squared (3-Year Trailing)	
		EuroDollar (Fut)	3.7%	vs. Asset Class Benchmark	
		FNMA 5%	2.1%	0.97 N/A	
		FNMA 5.5%	1.8%		
		Us Treasury Repo	0.8%		
		FNMA 5.5%	0.7%		
		% of Total Portfolio		66.3%	
		Manager Information			
		Lead Manager	Team Managed		
		Average Tenure on Product	N/A		
		Ticker	PTRAX		
		Prospectus Information	N/A		

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

PIMCO Total Return Fund seeks total return consistent with preservation of capital. The Fund normally invests at least 65% of assets in debt securities, including U.S. government securities, corporate bonds, and mortgage-related securities. It may invest up to 20% of assets in securities denominated in foreign currencies. The Fund may invest up to 10% of assets in high-yield securities rated B or higher. The portfolio duration generally ranges from three to six years.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)

Notes

QTR.	1-YR.	3-YR.	5-YR.	10-YR.	2001	2002	2003	2004	2005
93	79	25	13	5	\$50,026	\$67,826	\$73,852	\$78,773	\$88,788
(112)	(112)	(112)	(112)	(83)					

²Percentile Rank is based on the Russell universe of Intermediate bond mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

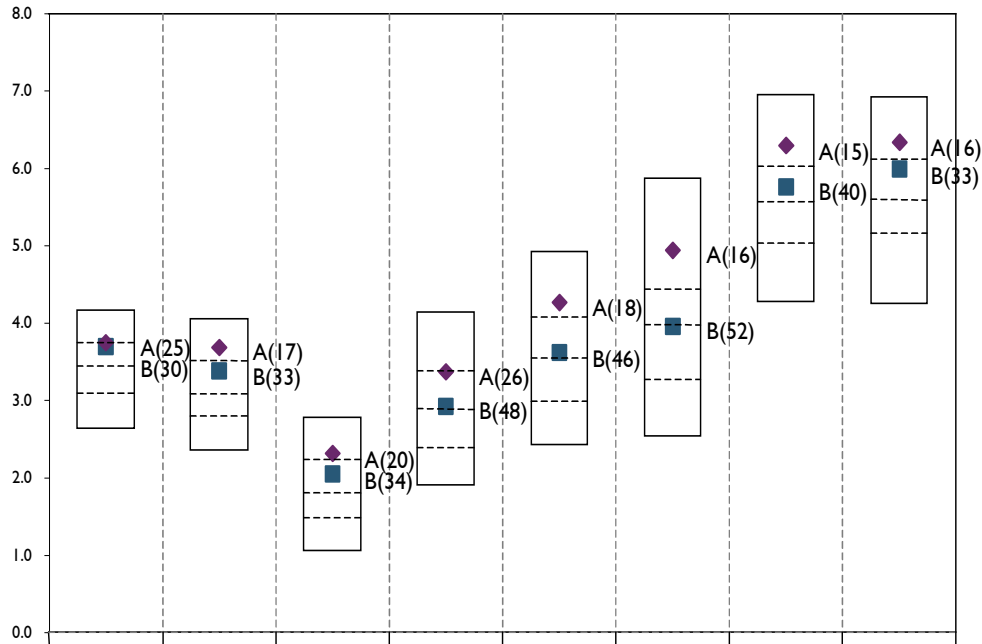
The cash component consists of securities with duration less than one year, including commercial paper, bank notes, high coupon mortgages, ABS, and governments. Credit Quality weightings exclude cash.

PIMCO Total Return Admin

Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

Returns vs. LB Aggregate Bond Index
Intermediate Bond Mutual Funds Universe



	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	4.2	4.0	2.8	4.1	4.9	5.9	7.0	6.9
25th Percentile	3.7	3.5	2.2	3.4	4.1	4.4	6.0	6.1
Median	3.4	3.1	1.8	2.9	3.5	4.0	5.6	5.6
75th Percentile	3.1	2.8	1.5	2.4	3.0	3.3	5.0	5.2
95th Percentile	2.6	2.4	1.1	1.9	2.4	2.5	4.3	4.3
Member Count	112	114	117	121	122	124	126	101
PIMCO Tot Ret (A) ◆	3.7	3.7	2.3	3.4	4.3	4.9	6.3	6.3
LB Aggregate Bond (B) ■	3.7	3.4	2.1	2.9	3.6	4.0	5.8	6.0

Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

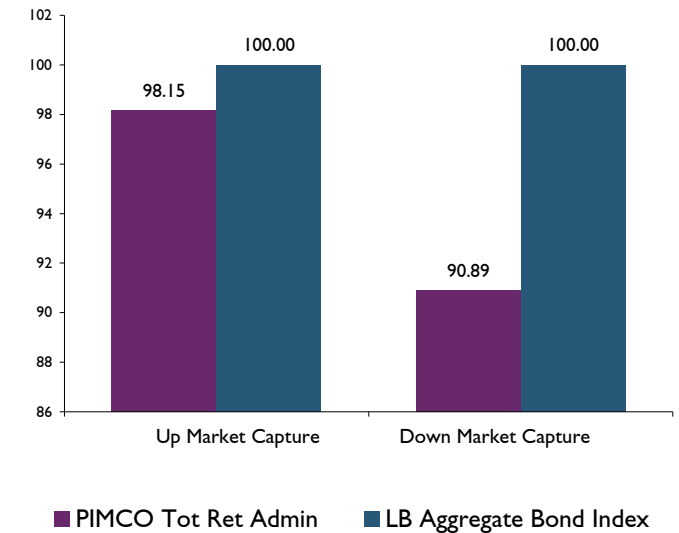
Credit Quality Breakdown as of October 31, 2006

Quality	% of Portfolio
US Govt/Agency	0.0%
AAA	77.0%
AA	8.0%
A	5.0%
BBB	7.0%
<BBB	3.0%
Non-Rated	0.0%

Coupon Breakdown as of October 31, 2006

Coupon	% of Portfolio
0-2%	16.1%
2-4%	4.6%
4-6%	72.3%
6-8%	5.8%
8-10%	1.1%
10-12%	0.2%
12+%	0.0%

Up Market/Down Market Capture -- 5 Years



Neuberger Berman High Income Inv

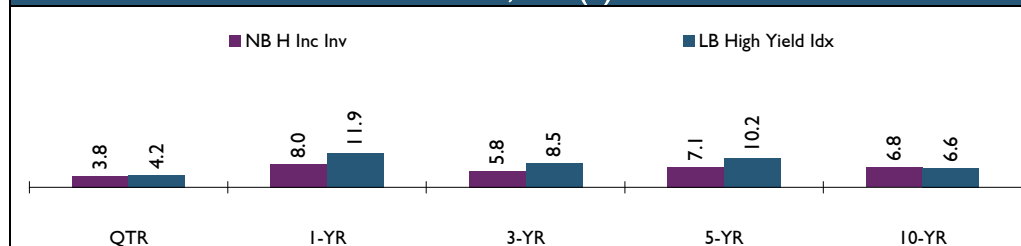
Holdings-Based Analysis

Portfolio Sector Weights ¹ 12/31/05			Portfolio Characteristics		Portfolio Statistics 12/31/06		
Con. Discretionary	<div><div></div><div></div></div> <div>17.7% 22.5%</div>		Average Duration (yrs.) (11/30/06)	4.2	Vs. Asset Class Benchmark	Manager	Index
	Con. Staples		<div><div></div><div></div></div> <div>12.6% 4.9%</div>	Average Maturity (yrs.) (11/30/06)	6.8	Standard Deviation (%)	
Energy	<div><div></div><div></div></div> <div>13.5% 4.4%</div>		Average Quality (11/30/06)	B	3-Year	3.20	3.95
	Financials		<div><div></div><div></div></div> <div>9.9% 6.6%</div>		5-Year	3.05	6.99
Health Care	<div><div></div><div></div></div> <div>0.0% 5.6%</div>		Portfolio Information				
	Industrials		<div><div></div><div></div></div> <div>9.8% 10.7%</div>	Expense Ratio (11/30/06)	0.91%	Beta (Benchmark Specific Risk)	
Information Tech.	<div><div></div><div></div></div> <div>2.4% 5.0%</div>	■ NB H Inc Inv	12b-1 Fee Included	N/A	3-Year	0.77	1.00
	Materials		<div><div></div><div></div></div> <div>4.6% 10.2%</div>	Morningstar Average (07/31/06)	1.25%	5-Year	0.33
Telecom. Services	<div><div></div><div></div></div> <div>19.0% 18.6%</div>	■ LB High Yield Idx	Minimum Investment (11/30/06)	\$2,000			
	Utilities		<div><div></div><div></div></div> <div>9.6% 11.4%</div>	Top Holdings 07/31/06		Alpha (Added Value Relative to Benchmark)	
			Company	% of Portfolio	3-Year	-1.4%	N/A
			Neuberger Berman Prime Money F	4.5%	5-Year	2.1%	N/A
			Qwest 8.875%	2.3%			
			Dex Media 8%	2.1%	Sharpe Ratio		
			Intelsat Subsidiary Hldg 8.625	2.0%	3-Year	0.86	1.39
			Us Oncology 9%	1.7%	5-Year	1.55	1.12
			Arch Westn Fin 6.75%	1.7%			
			Gmac 6.875%	1.6%	R-Squared (3-Year Trailing)		
			Houghton Mifflin 8.25%	1.6%	vs. Asset Class Benchmark		
			L-3 Comms 7.625%	1.5%	0.89		
			Ford Motor Cr 4.95%	1.5%	N/A		
			% of Total Portfolio	20.4%			
			Manager Information				
			Lead Manager	Team Managed			
			Tenure on Product	2005			
			Ticker	NBHIX			
			Prospectus Information	www.nbfunds.com			

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Neuberger Berman High Income Bond Fund seeks high total returns consistent with capital preservation. The Fund normally invests in a diversified portfolio of U.S. intermediate-term, high-yield corporate bonds with maturities of ten years or less. Most of these bonds are below investment grade. Management expects to normally maintain a dollar-weighted average maturity between five and seven years.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
52	92	94	85	16
(71)	(71)	(71)	(71)	(38)

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$90	\$689	\$1,342	\$1,601	\$719

Notes

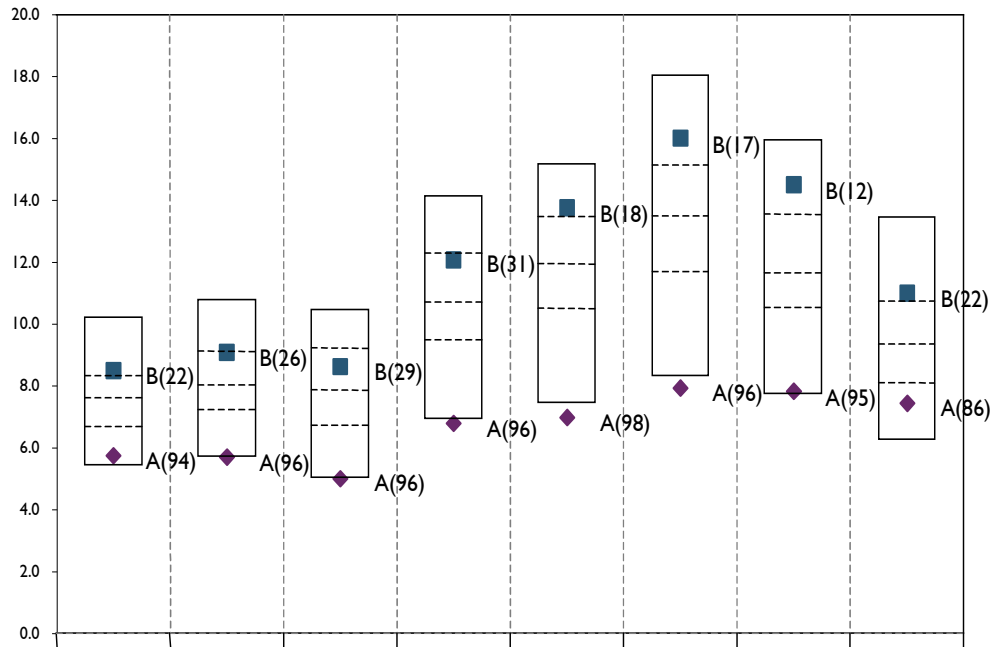
²Percentile Rank is based on the Russell universe of High yield mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Neuberger Berman High Income Inv

Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

Returns vs. LB High Yield Idx
High Yield Bond Mutual Funds Universe



	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	10.2	10.8	10.5	14.1	15.2	18.0	16.0	13.5
25th Percentile	8.3	9.1	9.2	12.3	13.5	15.1	13.5	10.7
Median	7.6	8.0	7.9	10.7	11.9	13.5	11.7	9.4
75th Percentile	6.7	7.2	6.7	9.5	10.5	11.7	10.5	8.1
95th Percentile	5.4	5.7	5.0	7.0	7.5	8.3	7.8	6.3
Member Count	71	71	71	71	71	72	72	70
NB H Inc Inv (A) ◆	5.8	5.7	5.0	6.8	7.0	7.9	7.8	7.4
LB High Yield Idx (B) ■	8.5	9.1	8.6	12.1	13.8	16.0	14.5	11.0

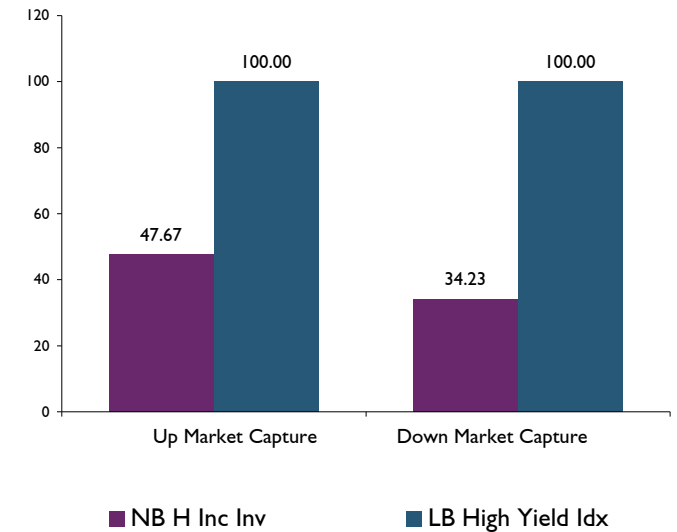
Credit Quality Breakdown as of September 30, 2006

Quality	% of Portfolio
>BBB	1.5%
BBB	3.0%
BB	38.0%
B	46.7%
<B	12.0%
Non-Rated	0.4%

Coupon Breakdown as of September 30, 2006

Coupon	% of Portfolio
0-2%	4.5%
2-4%	0.0%
4-6%	1.6%
6-8%	41.7%
8-10%	43.7%
10-12%	8.6%
12+%	0.0%

Up Market/Down Market Capture -- 5 Years



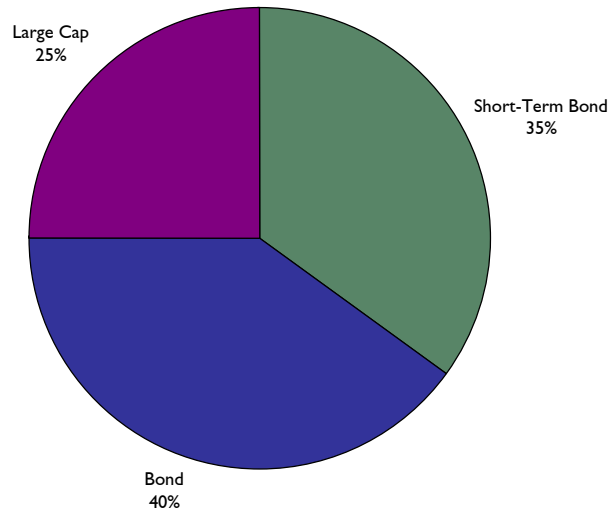
Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Arnerich Massena & Associates, Inc. ~ Quarter Ending December 31, 2006

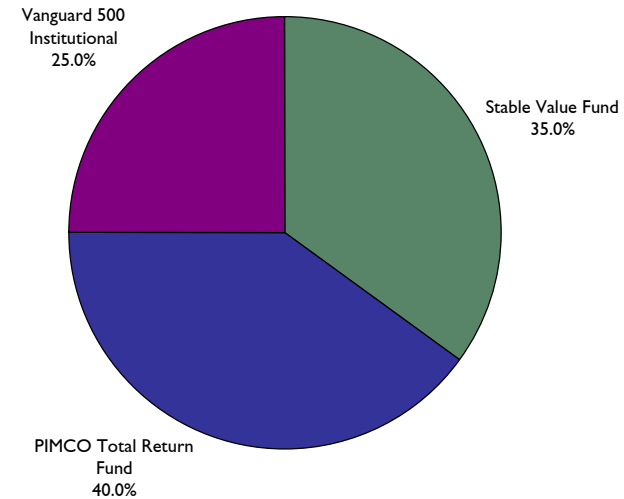
Montana Conservative Asset Allocation

Holdings-Based Analysis as of December 31, 2006

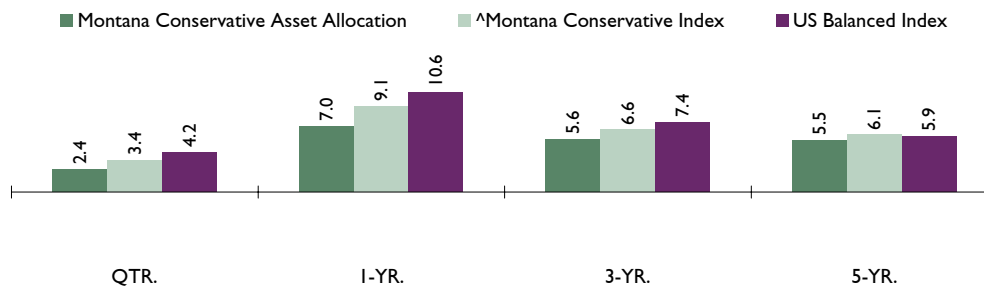
Target Asset Allocation



Fund Allocation



Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

The Fund seeks to achieve total return with an emphasis on income and low risk. The Fund seeks to achieve its objective by investing in mutual funds with varying portfolio compositions and risk/reward characteristics.

Montana Index Components: 35% LB 1-3 Year Government/Credit Index; 40% LB Aggregate Index; and 25% S&P 500 Index.

Fund Narrative

Montana's Conservative Profile lagged both the US Balanced Index and Conservative Index in 2005. Long-term results are slightly below the returns of the Conservative Index, however, fell short versus the US Balanced Index due to differing equity allocation. Peer group rankings and Sharpe Ratio statistics meet the State's investment policy criteria. **Recommendation:** Arnerich Massena recommends retaining the current asset allocation mix and underlying mutual funds.

Russell Percentile Rank*					Portfolio Statistics			
QTR.	1-YR.	3-YR.	5-YR.	10-YR.	Sharpe Ratio	Manager	Category Mean	Index
100	93	91	64	41	3-Year	1.2	1.1	1.0
(101)	(101)	(101)	(101)	(92)	5-Year	0.7	0.2	0.4

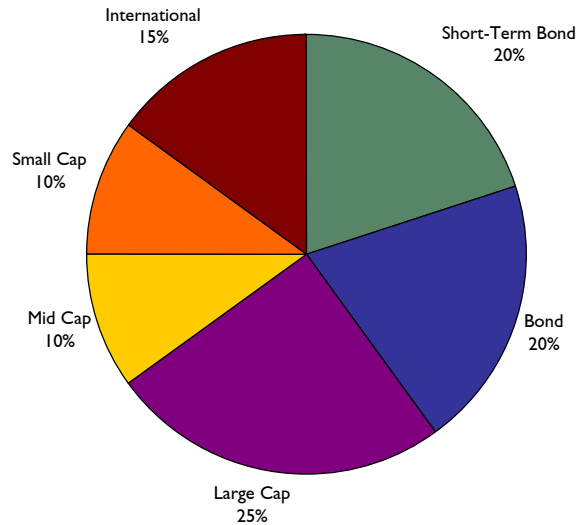
*Percentile Rank & Sharpe Ratio Mean is based on funds in the Russell universe of balanced mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Arnerich Massena & Associates, Inc. ~ Quarter Ending December 31, 2006

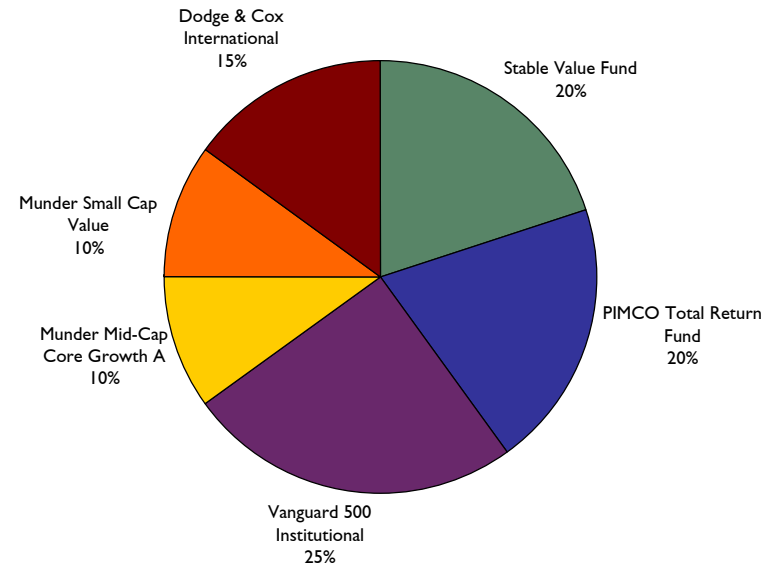
Montana Moderate Asset Allocation

Holdings-Based Analysis as of December 31, 2006

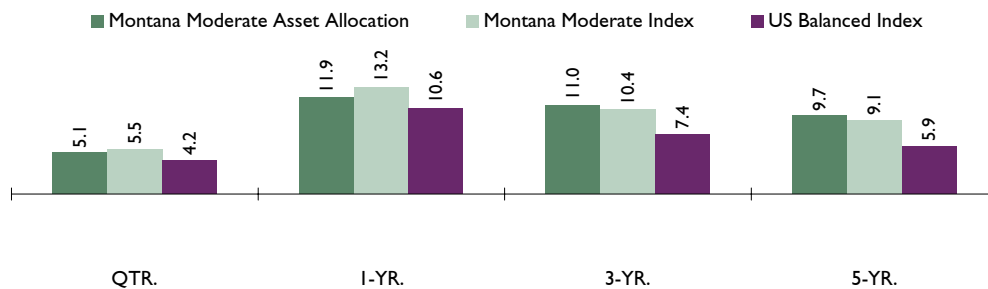
Target Asset Allocation



Fund Allocation



Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

The Fund seeks to achieve a high total return on investment through long-term capital appreciation and, to a lesser extent, income. The Fund seeks to achieve its objective by investing in mutual funds with varying portfolio compositions and risk/reward characteristics.

Montana Index Components: 20% LB 1-3 Year Government/Credit Index; 20% LB Aggregate Index; 25% S&P 500 Index; 10% Russell Midcap Index; 10% Russell 2000 Index and 15% MSCI ACWI ex-US.

Fund Narrative

Montana's Moderate Profile outpaced the US Balanced Index during 2006. It has outperformed the Montana Moderate Index over all extended time periods presented. Peer group rankings and Sharpe Ratio statistics meet the State's investment policy criteria on a three- and five-year basis. **Recommendation:** Arnerich Massena recommends retaining the current asset allocation mix and underlying mutual funds.

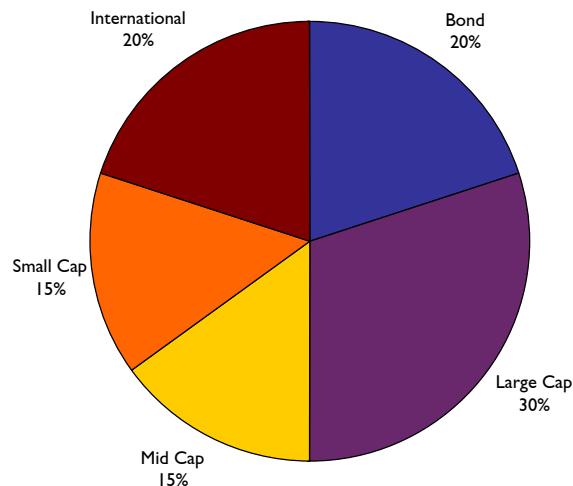
Russell Percentile Rank*					Portfolio Statistics			
QTR.	1-YR.	3-YR.	5-YR.	10-YR.	Sharpe Ratio	Manager	Mean	Index
29	33	6	5	N/A	3-Year	1.9	1.1	1.5
(101)	(101)	(101)	(101)	(92)	5-Year	0.6	0.2	0.5

*Percentile Rank & Sharpe Ratio Mean is based on funds in the Russell universe of balanced mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

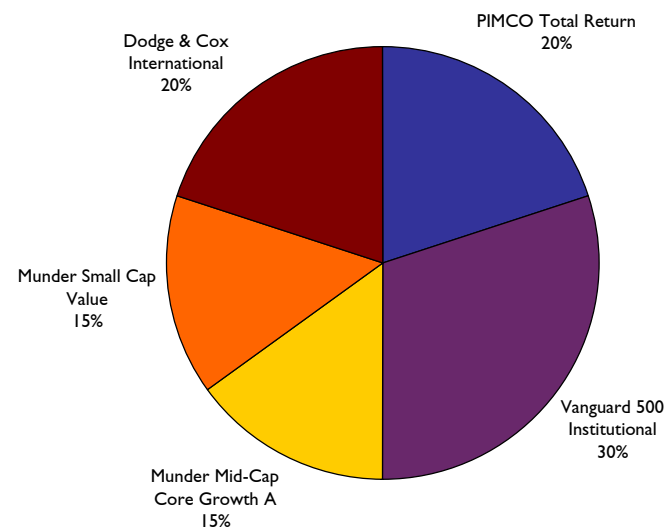
Montana Moderately Aggressive Asset Allocation

Holdings-Based Analysis as of December 31, 2006

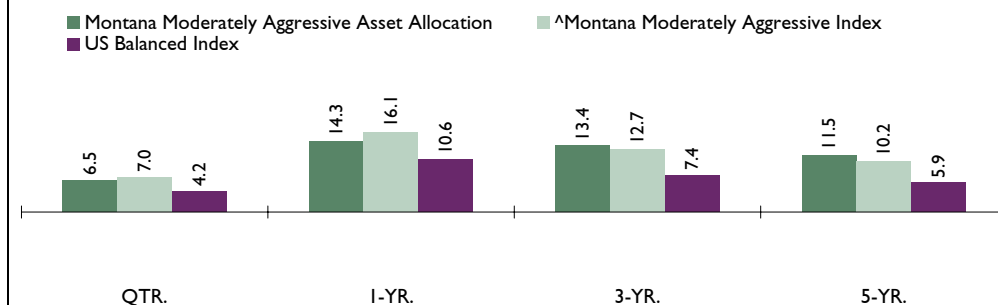
Target Asset Allocation



Fund Allocation



Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

The Fund seeks to achieve a high total return on investment through long-term capital appreciation. The Fund seeks to achieve its objective by investing in mutual funds with varying portfolio compositions and risk/reward characteristics.

Montana Index Components: 20% LB Aggregate Index; 30% S&P 500 Index; 15% Russell Midcap Index; 15% Russell 2000 Index; and 20% MSCI ACWI ex-US.

Fund Narrative

Montana's Moderately Aggressive Profile outpaced the US Balanced Index by a significant margin during 2006. The Fund underperformed the Montana Moderately Aggressive Index over the past year but has outperformed over the trailing three- and five-year time periods. Peer group rankings and Sharpe Ratio statistics meet the State's investment policy criteria on a three- and five-year basis.

Recommendation: Arnerich Massena recommends retaining the current asset allocation mix and underlying mutual funds.

Russell Percentile Rank*					Portfolio Statistics			
QTR.	1-YR.	3-YR.	5-YR.	10-YR.	Sharpe Ratio	Manager	Category Mean	Index
2	9	1	2	N/A	3-Year	1.6	1.1	1.4
(101)	(101)	(101)	(101)	(92)	5-Year	0.7	0.4	0.6

*Percentile Rank & Sharpe Ratio Mean is based on funds in the Russell universe of balanced mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

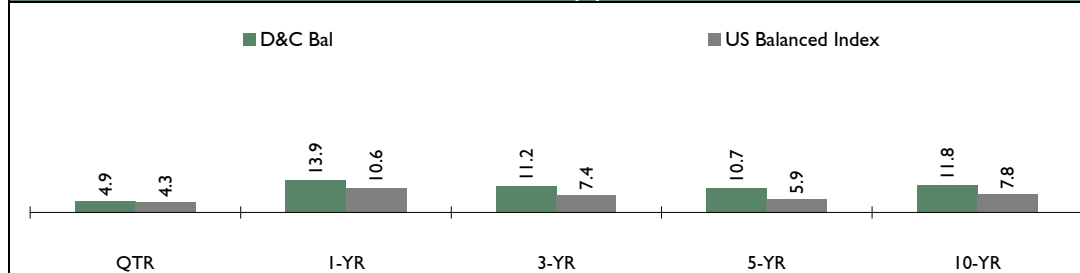
Dodge and Cox Balanced

Holdings-Based Analysis

Portfolio Sector Weights ¹ 09/30/06				Portfolio Characteristics		Fixed Income Characteristics	
U.S. Governments	11.5%	Con. Discretionary	22.7%	Avg Mkt Value (\$ Mil.) (09/30/06)	\$42,741	Average Duration (yrs.) (09/30/06)	3.9
	35.7%		10.3%	Number of Holdings (09/30/06)	403	Average Maturity (yrs.) (09/30/06)	6.3
Mortgages	40.3%	Con. Staples	3.8%	Portfolio Information		Average Quality (09/30/06)	AA
	40.0%		9.2%	Portfolio Statistics 12/31/06		Vs. Asset Class Benchmark	
U.S. Credit	27.9%	Energy	9.3%	Expense Ratio (09/30/06)	0.53%	Standard Deviation (%)	Manager Index
	21.9%		10.2%	12b-1 Fee Included	N/A		
Non-US	1.3%	Financials	15.6%	Morningstar Average (07/31/06)	1.19%	3-Year	4.88 4.01
	0.0%		21.8%	Minimum Investment (09/30/06)	\$2,500	5-Year	7.69 6.47
Asset Backed	1.2%	Health Care	17.6%	Avg. Annual Turnover (09/30/06)	18%	Top Holdings 09/30/06	
	1.2%		12.0%	Company % of Portfolio		Beta (Benchmark Specific Risk)	
Cash	17.9%	Industrials	9.0%	Repurchase Agreement	3.7%	3-Year	1.11 1.00
	0.0%		10.9%	Hewlett-Packard Company	2.6%	5-Year	1.09 1.00
		Information Tech.	14.4%	Comcast Corporation A	2.4%	Alpha (Added Value Relative to Benchmark)	
			15.8%	Pfizer Inc.	2.1%	3-Year	3.1% N/A
		Materials	5.3%	News CI A	1.9%	5-Year	4.3% N/A
			3.0%	Chevron Corporation	1.7%	Sharpe Ratio	
		Telecom. Services	1.0%	McDonald's Corporation	1.6%	3-Year	1.68 1.10
			3.4%	Sony Corporation ADR	1.6%	5-Year	1.08 0.55
		Utilities	1.4%	Time Warner, Inc.	1.6%	R-Squared (3-Year Trailing)	
			3.5%	Cardinal Health, Inc.	1.6%	vs. Asset Class Benchmark	0.81 N/A
				% of Total Portfolio	20.8%	Prospectus Information	
				Manager Information		Lead Manager	
				Team Managed		Average Tenure on Product	
				1992		Ticker	
				DODBX		Notes	
				www.dodgeandcox.com			

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Dodge & Cox Balanced Fund seeks long-term growth income and conservation of principal. The Fund invests in a diversified portfolio of common stocks, preferred stocks and fixed-income securities. It may invest up to 75% of assets in common stocks and convertible securities. Fixed-income investments typically include investment-grade debt securities. It may invest in government obligations, mortgage- and asset-backed securities, CMOs, and corporate bonds. When selecting securities, management may consider yield to maturity, quality, liquidity, and current yield.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
37	9	4	2	3
(102)	(102)	(102)	(102)	(82)

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$6,040	\$7,885	\$13,196	\$20,741	\$22,490

Notes

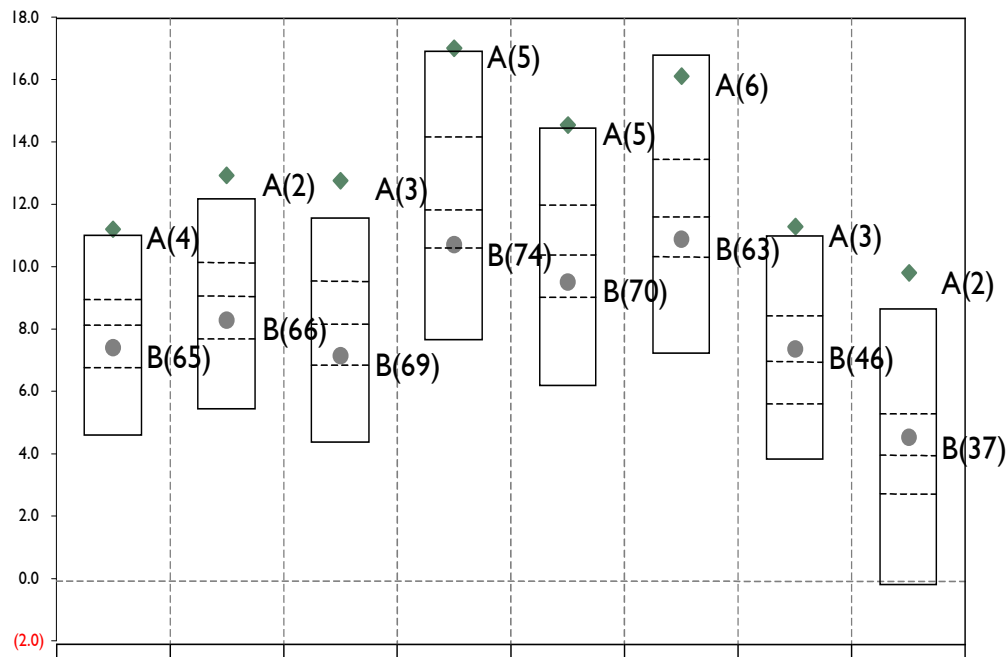
²Percentile Rank is based on the Russell universe of balanced mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Dodge and Cox Balanced

Performance-Based Analysis as of December 31, 2006

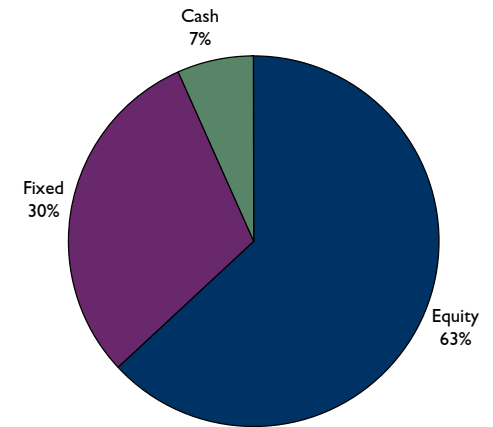
3-Year Rolling Returns

Returns vs. US Balanced Index
Balanced Mutual Funds Universe

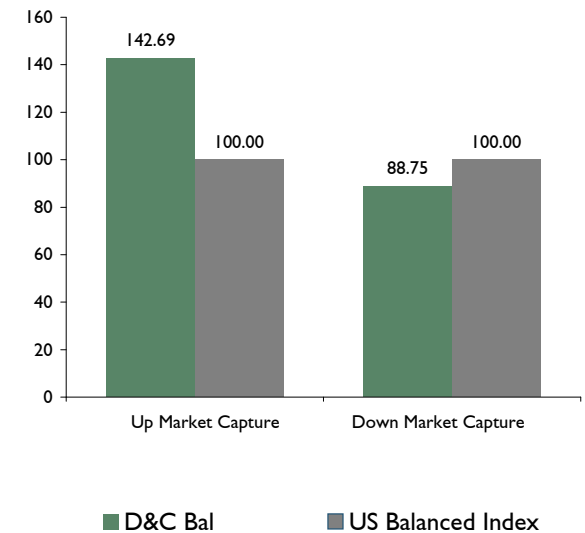


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	11.1	12.2	11.6	16.9	14.5	16.8	11.0	8.7
25th Percentile	9.0	10.2	9.6	14.2	12.0	13.5	8.5	5.4
Median	8.2	9.1	8.2	11.9	10.4	11.7	7.0	4.0
75th Percentile	6.8	7.8	6.9	10.7	9.1	10.4	5.7	2.8
95th Percentile	4.7	5.5	4.5	7.7	6.3	7.3	3.9	(0.1)
Member Count	102	103	104	106	105	104	107	119
D&C Bal (A) ◆	11.2	12.9	12.8	17.0	14.5	16.1	11.3	9.8
US Balanced Index (B) ●	7.4	8.3	7.1	10.7	9.5	10.9	7.4	4.5

Asset Allocation as of September 30, 2006



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Davis NY Venture A

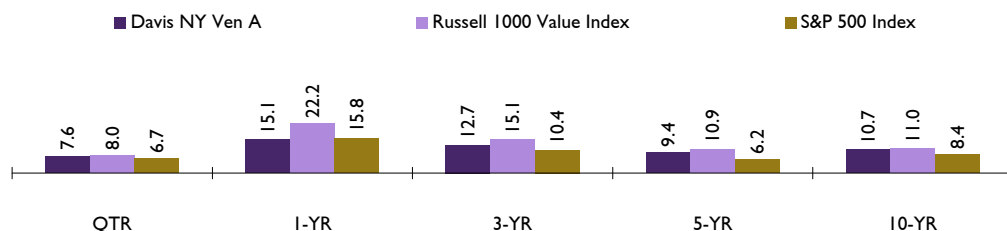
Holdings-Based Analysis

Sector Weights ¹ 10/31/06		Portfolio Characteristics		Portfolio Statistics 12/31/06			
Con. Discretionary	<div><div></div><div></div></div> <div>11.0% 8.5%</div>	Avg Mkt Cap (\$ Mil.) (10/31/06) Number of Holdings (10/31/06)	\$43,511 79	Vs. Asset Class Benchmark		Manager	Index
	Con. Staples			<div><div></div><div></div></div> <div>14.9% 7.6%</div>	Standard Deviation (%)		
Energy		<div><div></div><div></div></div> <div>12.1% 14.3%</div>	Portfolio Information		3-Year	6.23	6.82
	Financials	<div><div></div><div></div></div> <div>42.3% 35.8%</div>	Expense Ratio (10/31/06) 12b-1 Fee Included (10/31/06) Morningstar Average (07/31/06) Minimum Investment (10/31/06) Avg. Annual Turnover (10/31/06)		5-Year	11.34	12.30
Health Care		<div><div></div><div></div></div> <div>3.2% 7.1%</div>	Top Holdings 10/31/06		Beta (Benchmark Specific Risk)		
	Industrials	<div><div></div><div></div></div> <div>6.1% 6.8%</div>	Company % of Portfolio		3-Year	0.83	1.00
Information Tech.		<div><div></div><div></div></div> <div>4.9% 3.6%</div>	Altria Group, Inc. 4.9%		5-Year	0.87	1.00
	Materials	<div><div></div><div></div></div> <div>3.8% 3.8%</div>	American Express Company 4.9%		Alpha (Added Value Relative to Benchmark)		
Telecom. Services		<div><div></div><div></div></div> <div>1.7% 6.0%</div>	American International Group 4.2%		3-Year	3.3%	N/A
	Utilities	<div><div></div><div></div></div> <div>0.0% 6.5%</div>	Cash & Cash Equivalents 4.2%		5-Year	3.5%	N/A
		ConocoPhillips 3.8%		Sharpe Ratio			
		Tyco International, Ltd. 3.6%		3-Year	1.56	1.09	
		J.P. Morgan Chase & Co. 3.6%		5-Year	0.63	0.31	
		Costco Wholesale Corporation 3.2%		R-Squared (3-Year Trailing)			
		HSBC Hldgs 2.9%		vs. Asset Class Benchmark	0.83	N/A	
		Berkshire Hathaway Inc. A 2.9%		vs. Style Benchmark	0.82	N/A	
		% of Total Portfolio 38.1%					
		Manager Information					
		Lead Manager Team Managed					
		Average Tenure on Product 1997					
		Ticker NYVTX					
		Prospectus Information N/A					

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Davis NY Venture Fund seeks growth of capital. The Fund invests primarily in equities issued by companies with market capitalizations of at least \$5 billion, though it may also hold securities of smaller companies. It may invest in securities of foreign issuers.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
36	83	43	28	15
(220)	(220)	(220)	(220)	(144)

²Percentile Rank is based on the Russell universe of large value mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$38,935	\$30,898	\$42,797	\$54,303	\$66,969

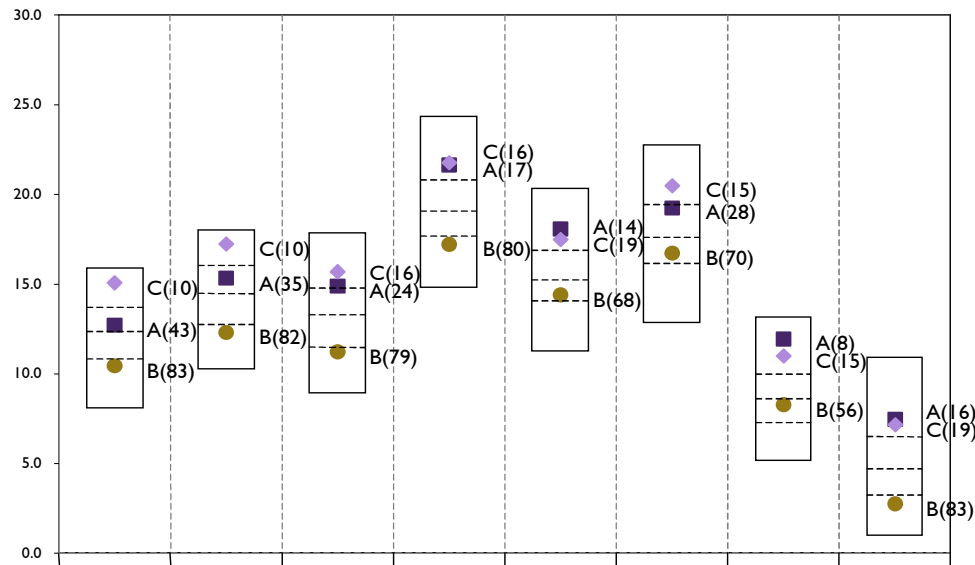
Notes

Davis NY Venture A

Performance-Based Analysis as of December 31, 2006

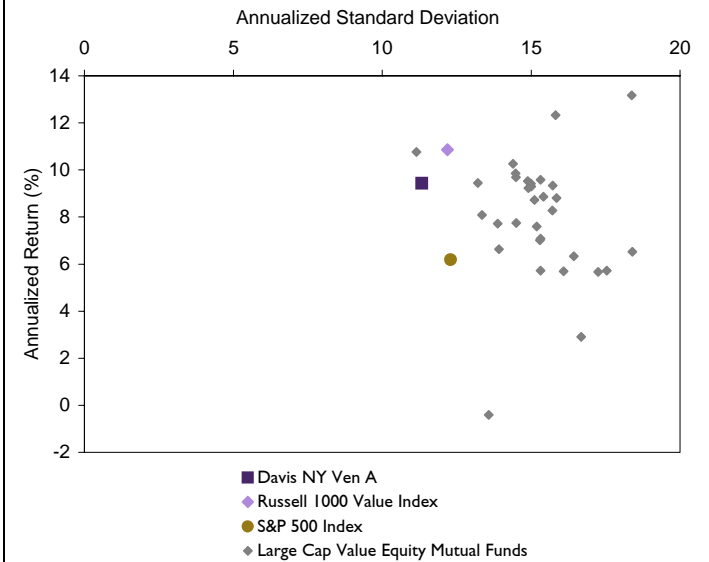
3-Year Rolling Returns

Returns vs. Russell 1000 Value Index
Large Cap Value Equity Mutual Funds Universe

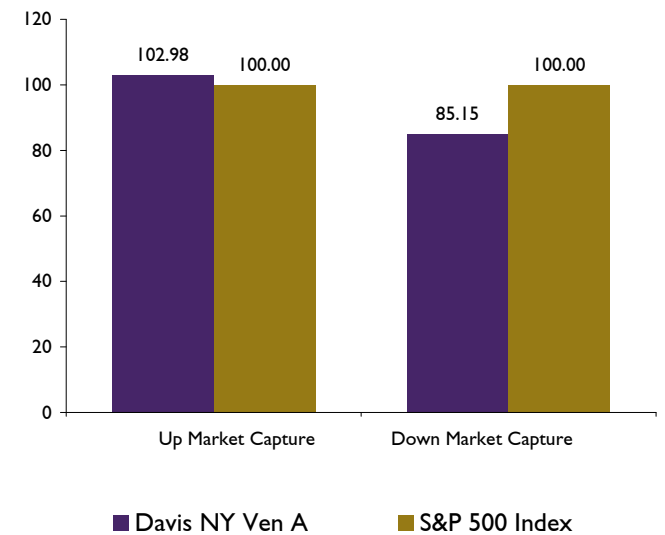


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	15.9	18.0	17.8	24.3	20.3	22.8	13.1	10.9
25th Percentile	13.7	16.0	14.8	20.8	16.9	19.4	10.0	6.5
Median	12.4	14.5	13.3	19.1	15.2	17.6	8.6	4.7
75th Percentile	10.8	12.7	11.5	17.7	14.1	16.2	7.3	3.2
95th Percentile	8.1	10.3	8.9	14.8	11.3	12.9	5.2	1.0
Member Count	220	224	227	228	231	234	238	184
Davis NY Ven A (A) ■	12.7	15.3	14.9	21.6	18.1	19.2	11.9	7.5
S&P 500 Index (B) ●	10.4	12.3	11.2	17.2	14.4	16.7	8.3	2.7
Russell 1000 Value (C) ◆	15.1	17.2	15.7	21.8	17.5	20.5	11.0	7.2

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

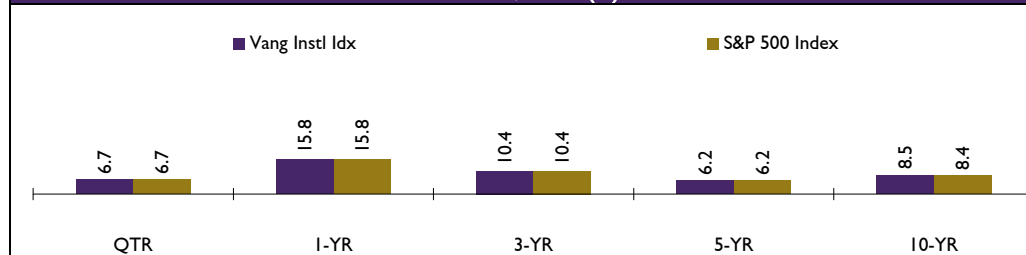
Vanguard Institutional Index

Holdings-Based Analysis

Sector Weights ¹ 09/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06		
Con. Discretionary	10.2%	Avg Mkt Cap (\$ Mil.) (09/30/06) Number of Holdings (09/30/06)	\$50,541 512	Vs. Asset Class Benchmark		Manager Index
	10.3%			Standard Deviation (%)		
Con. Staples	9.6%	Portfolio Information		3-Year		6.82 6.82
	9.2%			5-Year		12.29 12.30
Energy	10.2%	Expense Ratio (09/30/06) 12b-1 Fee Included Morningstar Average (07/31/06) Minimum Investment (09/30/06) Avg. Annual Turnover (09/30/06)	0.05% N/A 1.17% \$5,000,000 9%	Beta (Benchmark Specific Risk)		
	10.2%			3-Year		1.00 1.00
Financials	21.4%	Top Holdings 09/30/06		5-Year		1.00 1.00
	21.8%			Alpha (Added Value Relative to Benchmark)		
Health Care	12.3%	Company % of Portfolio		3-Year		0.0% N/A
	12.0%			5-Year		0.0% N/A
Industrials	11.7%	ExxonMobil Corporation General Electric Company Citigroup, Inc. Bank of America Corporation Microsoft Corporation Pfizer Inc. Procter & Gamble Company Johnson & Johnson American International Group J.P. Morgan Chase & Co.	3.3% 3.0% 2.0% 2.0% 2.0% 1.7% 1.6% 1.6% 1.4% 1.4%	Sharpe Ratio		
	10.9%			3-Year		1.09 1.09
Information Tech.	14.9%	% of Total Portfolio	20.1%	5-Year		0.31 0.31
	15.8%			R-Squared (3-Year Trailing)		
Materials	3.1%	Manager Information		vs. Asset Class Benchmark		1.00 N/A
	3.0%			vs. Style Benchmark		N/A N/A
Telecom. Services	3.3%	Lead Manager Average Tenure on Product Ticker Prospectus Information	Donald M. Butler 2005 VINIX www.vanguard.com			
	3.4%					
Utilities	3.4%					
	3.5%					

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Vanguard Institutional Index Fund seeks to replicate the aggregate price and yield performance, before fund expenses, of the S&P 500 Index. The Fund invests in all 500 stocks listed in the S&P 500 Index in approximately the same proportions as they are represented in the index. The correlation between the performance of the Fund and that of the index is expected to be 0.95 or higher.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
44	35	41	44	34
(668)	(668)	(668)	(668)	(429)

²Percentile Rank is based on the Russell universe of large blend mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$24,165	\$20,361	\$29,458	\$34,990	\$39,138

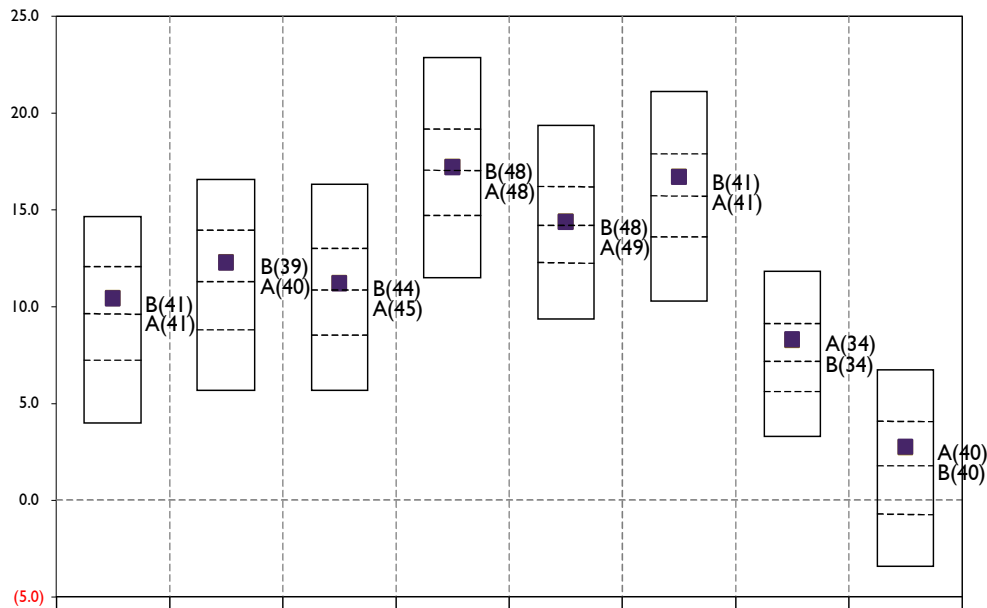
Notes

Vanguard Institutional Index

Performance-Based Analysis as of December 31, 2006

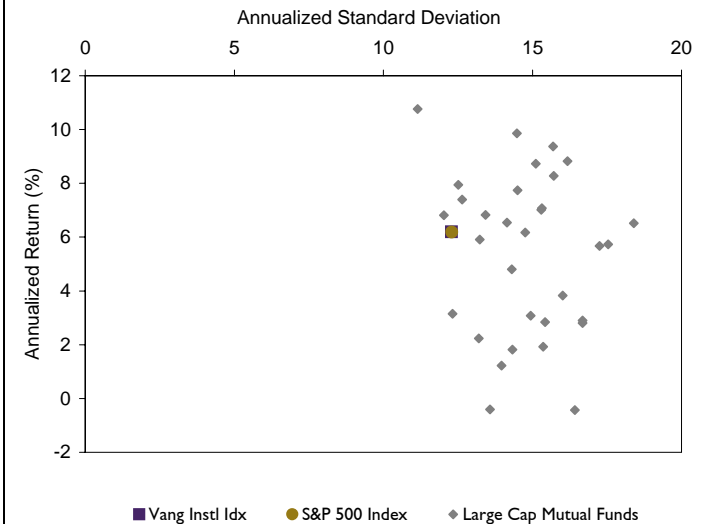
3-Year Rolling Returns

Returns vs. S&P 500 Index
Large Cap Mutual Funds Universe

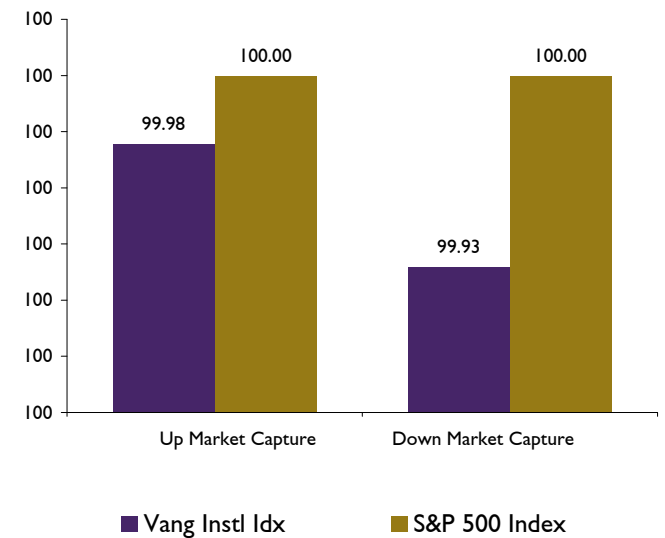


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	14.6	16.6	16.3	22.9	19.4	21.1	11.8	6.7
25th Percentile	12.1	14.0	13.0	19.2	16.2	17.9	9.1	4.1
Median	9.6	11.3	10.9	17.0	14.2	15.7	7.2	1.8
75th Percentile	7.2	8.8	8.5	14.7	12.3	13.6	5.6	(0.7)
95th Percentile	4.0	5.7	5.7	11.5	9.3	10.3	3.3	(3.4)
Member Count	668	677	685	699	708	716	728	549
Vang Instl Idx (A) ■	10.4	12.3	11.2	17.2	14.4	16.7	8.3	2.8
S&P 500 Index (B) ●	10.4	12.3	11.2	17.2	14.4	16.7	8.3	2.7

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

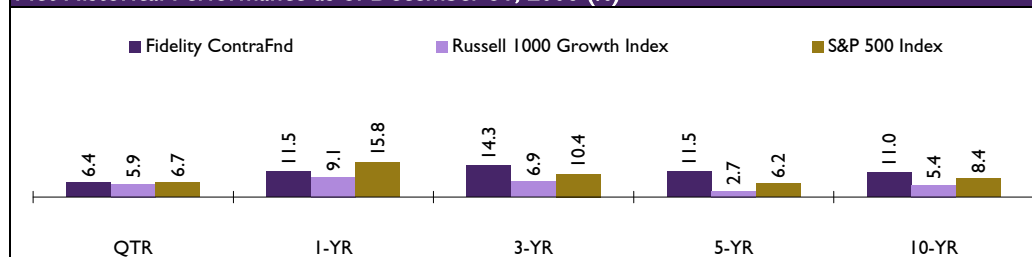
Fidelity Contrafund

Holdings-Based Analysis

Sector Weights ¹ 09/30/06		Portfolio Characteristics	Portfolio Statistics 12/31/06		
Con. Discretionary	8.9%	Avg Mkt Cap (\$ Mil.) (09/30/06) \$33,162 Number of Holdings (09/30/06) 435	Vs. Asset Class Benchmark		Manager Index
	14.1%		Standard Deviation (%)		
Con. Staples	8.6%	Portfolio Information	3-Year		8.82 6.82
	9.5%		5-Year		9.60 12.30
Energy	9.3%	Expense Ratio (09/30/06) 0.88% 12b-1 Fee Included N/A Morningstar Average (07/31/06) 1.46% Minimum Investment (09/30/06) \$2,500 Avg. Annual Turnover (09/30/06) 60%	Beta (Benchmark Specific Risk)		
	4.2%		3-Year		1.09 1.00
Financials	22.8%	Top Holdings 09/30/06	5-Year		0.61 1.00
	8.4%		Alpha (Added Value Relative to Benchmark)		
Health Care	11.9%	Company % of Portfolio	3-Year		3.0% N/A
	17.2%		5-Year		6.6% N/A
Industrials	7.9%	Fidelity Revere Str Tr 10.3%	Sharpe Ratio		
	14.4%		3-Year		1.28 1.09
Information Tech.	18.5%	Google, Inc. 3.8%	5-Year		0.95 0.31
	27.2%	Berkshire Hathaway Inc. A 2.4%	R-Squared (3-Year Trailing)		
Materials	5.4%	Genentech, Inc. 2.4%	vs. Asset Class Benchmark		0.69 N/A
	2.7%	Hewlett-Packard Company 2.1%	vs. Style Benchmark		0.63 N/A
Telecom. Services	5.3%	Procter & Gamble Company 1.9%			
	0.9%	Wells Fargo Company 1.9%			
Utilities	1.6%	America Movil SA ADR 1.9%			
	1.4%	EnCana Corporation 1.8%			
		Roche Holding 1.6%			
		% of Total Portfolio 30.0%			
		Manager Information			
		Lead Manager William Danoff			
		Average Tenure on Product 1990			
		Ticker FCNTX			
		Prospectus Information www.fidelity.com			

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Fidelity Contrafund seeks capital appreciation. The Fund invests primarily in the common stock of companies believed to be undervalued. The types of companies in which the Fund may invest include companies experiencing positive fundamental change such as a new management team or product launch or companies that are undervalued in relation to securities of other companies in the same industry.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
24	11	2	1	3
(234)	(234)	(234)	(234)	(140)

²Percentile Rank is based on the Russell universe of large growth mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$32,321	\$27,695	\$36,051	\$44,485	\$60,094

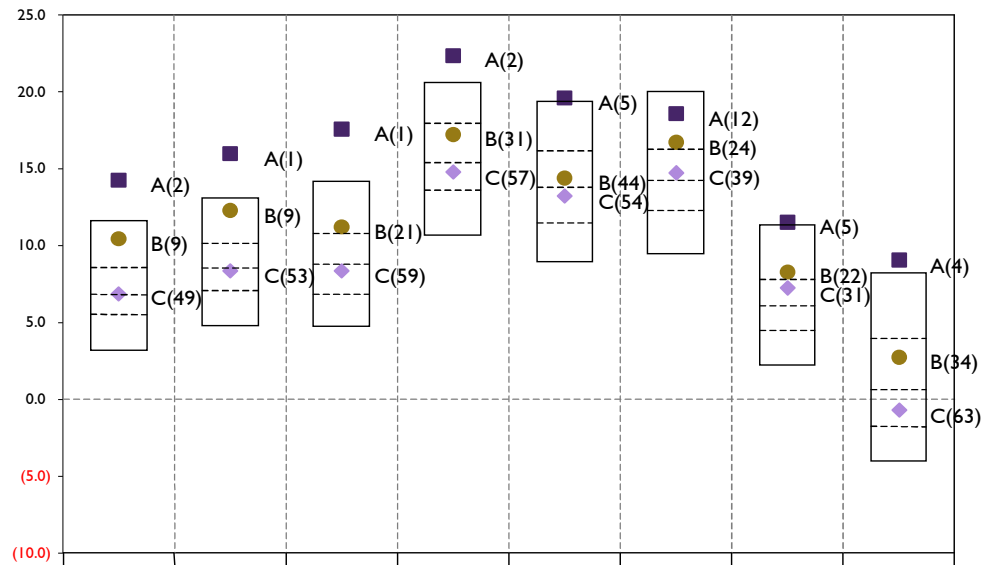
Notes

Fidelity Contrafund

Performance-Based Analysis as of December 31, 2006

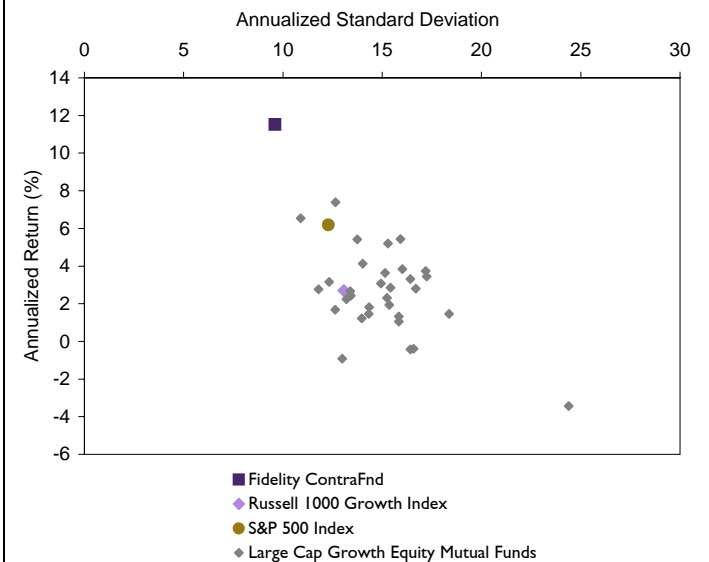
3-Year Rolling Returns

Returns vs. Russell 1000 Growth Index
Large Cap Growth Equity Mutual Funds Universe

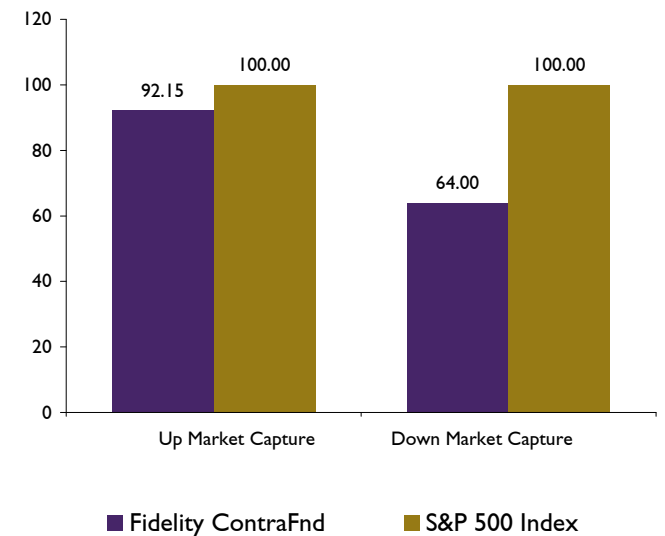


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	11.6	13.1	14.2	20.6	19.4	20.0	11.3	8.2
25th Percentile	8.6	10.2	10.8	18.0	16.2	16.3	7.8	3.9
Median	6.8	8.5	8.8	15.4	13.8	14.2	6.1	0.6
75th Percentile	5.5	7.1	6.8	13.6	11.5	12.3	4.5	(1.8)
95th Percentile	3.2	4.8	4.8	10.7	9.0	9.5	2.2	(4.0)
Member Count	234	241	243	246	249	256	258	335
Fidelity ContraFnd (A) ■	14.3	16.0	17.6	22.4	19.6	18.6	11.5	9.1
S&P 500 Index (B) ●	10.4	12.3	11.2	17.2	14.4	16.7	8.3	2.7
Russell 1000 Gr (C) ◆	6.9	8.4	8.3	14.8	13.2	14.7	7.3	(0.7)

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

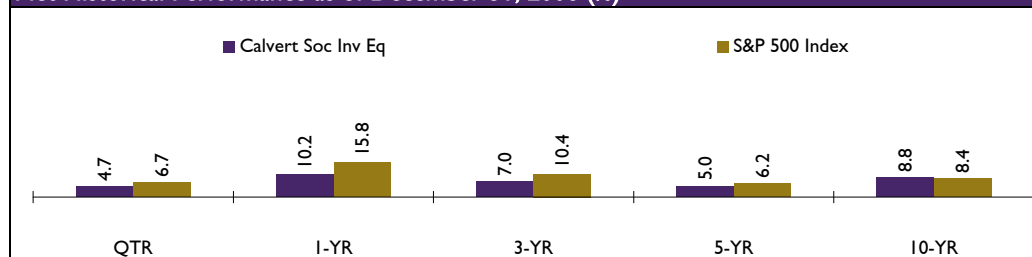
Calvert Social Investor Equity A

Holdings-Based Analysis

Sector Weights ¹ 12/31/06		Portfolio Characteristics 12/31/06		Portfolio Statistics 12/31/06		
Con. Discretionary	10.8%	Avg Mkt Cap (\$ Mil.) \$25,964 Number of Holdings 65		Vs. Asset Class Benchmark		Manager Index
	10.3%			Standard Deviation (%)		
Con. Staples	12.9%			3-Year		7.02 6.82
	9.2%			5-Year		11.81 12.30
Energy	4.0%			Beta (Benchmark Specific Risk)		
	10.2%			3-Year		0.96 1.00
Financials	15.8%			5-Year		0.93 1.00
	21.8%			Alpha (Added Value Relative to Benchmark)		
Health Care	18.1%			3-Year		-2.9% N/A
	12.0%			5-Year		-0.9% N/A
Industrials	11.2%			Sharpe Ratio		
	10.9%			3-Year		0.57 1.09
Information Tech.	22.2%			5-Year		0.22 0.31
	15.8%			R-Squared (3-Year Trailing)		
Materials	3.3%			vs. Asset Class Benchmark		0.86 N/A
	3.0%			vs. Style Benchmark		N/A N/A
Telecom. Services	0.0%					
	3.4%					
Utilities	1.9%					
	3.5%					

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Calvert Social Investment Equity Fund seeks growth of capital. The Fund normally invests in common stocks of large-cap companies having market capitalization of at least \$1 billion. Investment returns will be mostly from changes in the price of the fund's holdings. The Fund invests with the philosophy that long-term rewards to investors will come from those organizations whose products, services, and methods enhance the human condition and the traditional American values of individual initiative, equality of opportunity, and cooperative effort.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
86	66	78	58	28
(668)	(668)	(668)	(668)	(429)

²Percentile Rank is based on the Russell universe of large blend mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$312	\$380	\$619	\$783	\$1,235

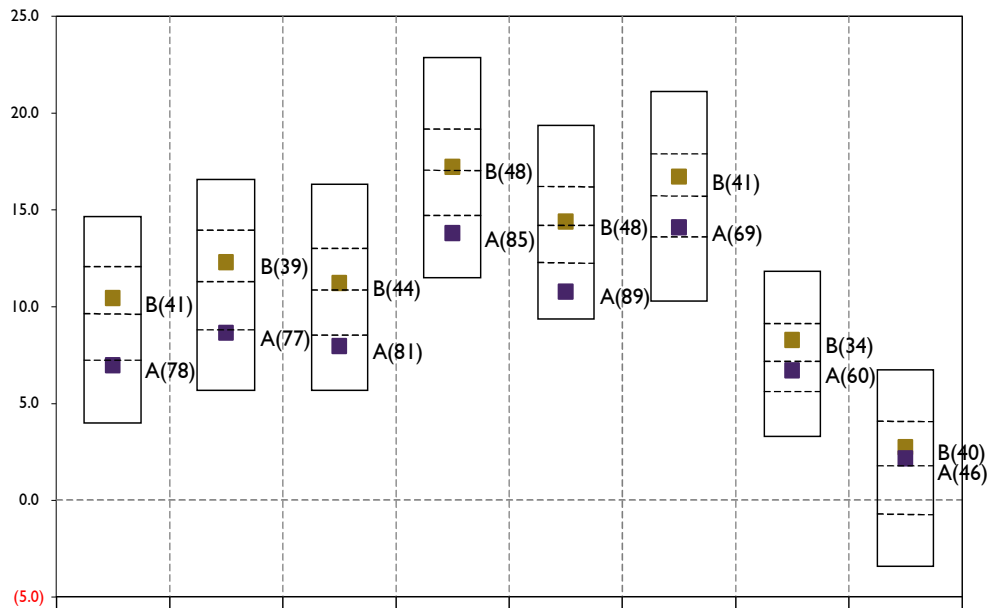
Notes

Calvert Social Investor Equity A

Performance-Based Analysis as of December 31, 2006

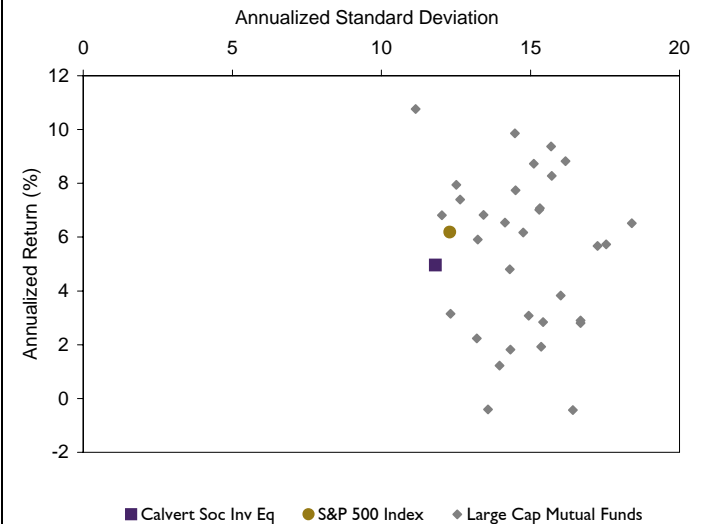
3-Year Rolling Returns

Returns vs. S&P 500 Index
Large Cap Mutual Funds Universe

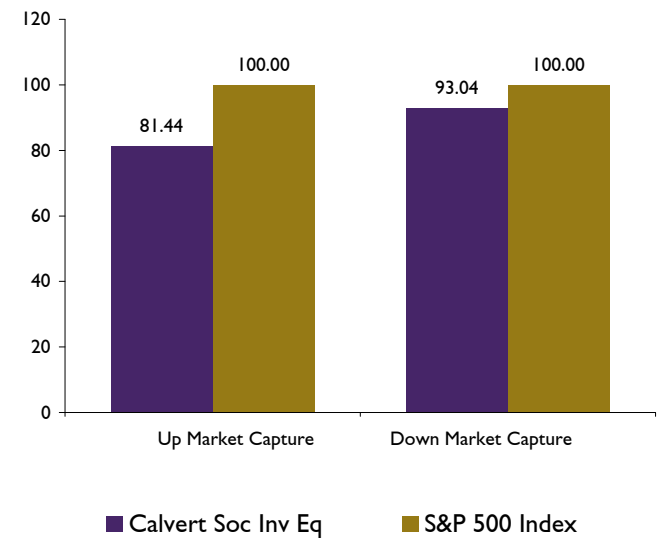


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	14.6	16.6	16.3	22.9	19.4	21.1	11.8	6.7
25th Percentile	12.1	14.0	13.0	19.2	16.2	17.9	9.1	4.1
Median	9.6	11.3	10.9	17.0	14.2	15.7	7.2	1.8
75th Percentile	7.2	8.8	8.5	14.7	12.3	13.6	5.6	(0.7)
95th Percentile	4.0	5.7	5.7	11.5	9.3	10.3	3.3	(3.4)
Member Count	668	677	685	699	708	716	728	549
Calvert Soc Inv Eq (A)	7.0	8.7	8.0	13.8	10.8	14.1	6.7	2.2
S&P 500 Index (B)	10.4	12.3	11.2	17.2	14.4	16.7	8.3	2.7

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

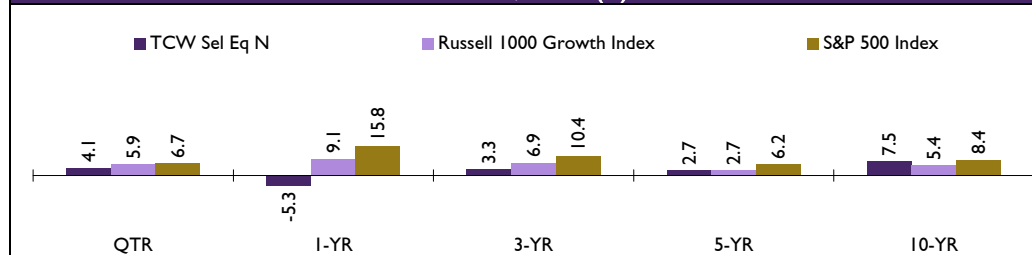
TCW Select Equities N

Holdings-Based Analysis

Sector Weights ¹ 12/31/06		Portfolio Characteristics 12/31/06		Portfolio Statistics 12/31/06		
Con. Discretionary	7.8%	Avg Mkt Cap (\$ Mil.) \$29,269 Number of Holdings 28		Vs. Asset Class Benchmark		Manager Index
	14.1%			Standard Deviation (%)		
Con. Staples	1.8%			3-Year		13.95 6.82
	9.5%			5-Year		19.26 12.30
Energy	6.1%			Beta (Benchmark Specific Risk)		
	4.2%			3-Year		1.63 1.00
Financials	21.4%			5-Year		1.39 1.00
	8.4%			Alpha (Added Value Relative to Benchmark)		
Health Care	21.9%			3-Year		-11.1% N/A
	17.2%			5-Year		-4.0% N/A
Industrials	6.0%			Sharpe Ratio		
	14.4%			3-Year		0.02 1.09
Information Tech.	35.0%			5-Year		0.02 0.31
	27.2%			R-Squared (3-Year Trailing)		
Materials	0.0%			vs. Asset Class Benchmark		0.62 N/A
	2.7%			vs. Style Benchmark		0.81 N/A
Telecom. Services	0.0%					
	0.9%					
Utilities	0.0%					
	1.4%					

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006³ (%)



Fund Strategy

TCW Galileo Select Equities Fund seeks long-term capital appreciation. The Fund normally invests at least 65% of assets in common stocks and convertibles of well-established companies with market capitalizations of \$1 billion or more. It typically maintains 30-50 individual securities, and usually holds them for one to two years. The Fund may invest up to 25% of assets in foreign securities. It is nondiversified.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
84	99	94	52	26
(234)	(234)	(234)	(234)	(140)

²Percentile Rank is based on the Russell universe of large growth mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$252	\$284	\$814	\$1,394	\$1,258

Notes

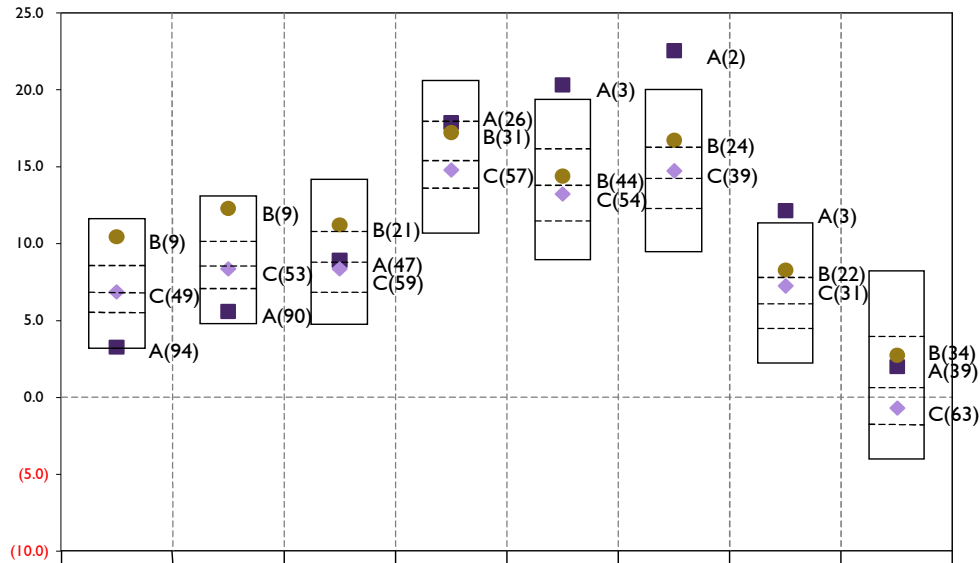
³Performance prior to June 1998 is from a same style composite for manager at a previous firm, less the mutual fund expense ratio.

TCW Select Equities N

Performance-Based Analysis as of December 31, 2006

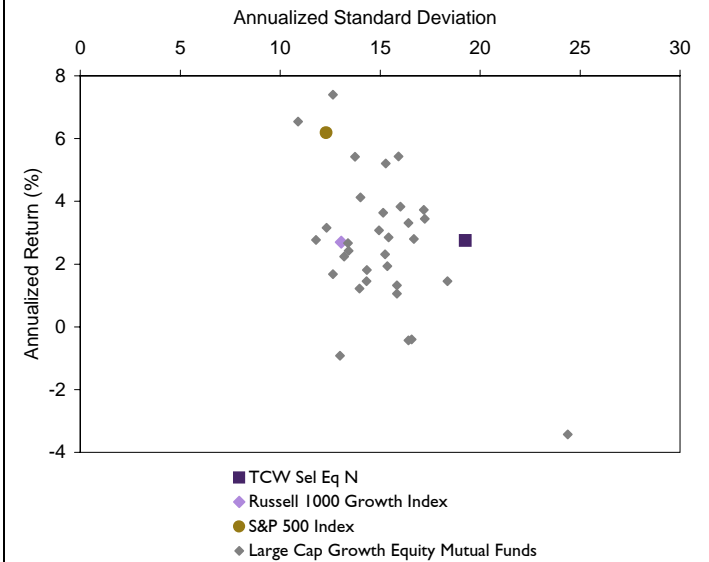
3-Year Rolling Returns

Returns vs. Russell 1000 Growth Index
Large Cap Growth Equity Mutual Funds Universe

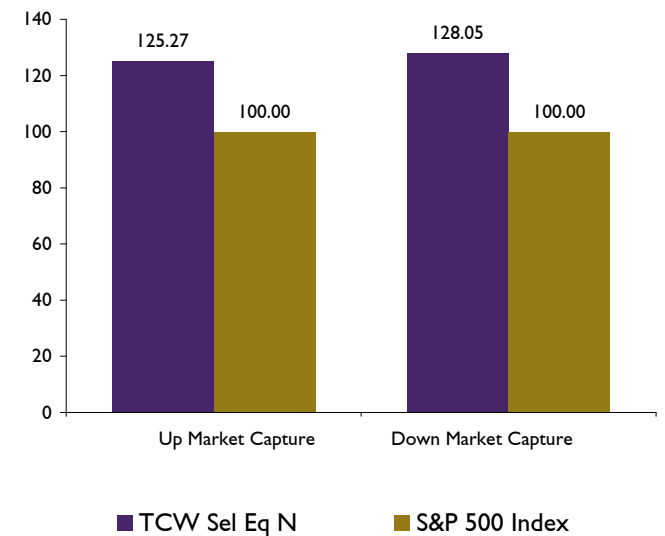


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	11.6	13.1	14.2	20.6	19.4	20.0	11.3	8.2
25th Percentile	8.6	10.2	10.8	18.0	16.2	16.3	7.8	3.9
Median	6.8	8.5	8.8	15.4	13.8	14.2	6.1	0.6
75th Percentile	5.5	7.1	6.8	13.6	11.5	12.3	4.5	(1.8)
95th Percentile	3.2	4.8	4.8	10.7	9.0	9.5	2.2	(4.0)
Member Count	234	241	243	246	249	256	258	335
TCW Sel Eq N (A) ■	3.3	5.6	8.9	17.9	20.3	22.5	12.1	2.0
S&P 500 Index (B) ●	10.4	12.3	11.2	17.2	14.4	16.7	8.3	2.7
Russell 1000 Growth (C) ◆	6.9	8.4	8.3	14.8	13.2	14.7	7.3	(0.7)

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Hotchkis and Wiley Mid Cap Value A

Holdings-Based Analysis

Sector Weights¹ 11/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06				
Con. Discretionary	<div><div></div><div></div></div> <div>23.1% 13.3%</div>	Avg Mkt Cap (\$ Mil.) (11/30/06)	\$5,274	Vs. Asset Class Benchmark		Manager Index		
	Con. Staples	<div><div></div><div></div></div> <div>2.9% 7.0%</div>	Number of Holdings (11/30/06)	52	Standard Deviation (%)			
Energy		<div><div></div><div></div></div> <div>1.8% 4.7%</div>	Portfolio Information		3-Year	10.17	9.62	
	Financials	<div><div></div><div></div></div> <div>27.8% 32.2%</div>	Expense Ratio (11/30/06)	1.27%	5-Year	15.14	13.22	
Health Care		<div><div></div><div></div></div> <div>1.2% 3.6%</div>	12b-1 Fee Included (11/30/06)	0.25%	Beta (Benchmark Specific Risk)			
	Industrials	<div><div></div><div></div></div> <div>10.0% 7.8%</div>	Morningstar Average (07/31/06)	1.42%	3-Year	0.98	1.00	
Information Tech.		<div><div></div><div></div></div> <div>18.3% 7.9%</div>	Minimum Investment (11/30/06)	Closed	5-Year	1.09	1.00	
	Materials	<div><div></div><div></div></div> <div>10.9% 6.5%</div>	Avg. Annual Turnover (11/30/06)	55%	Alpha (Added Value Relative to Benchmark)			
Telecom. Services		<div><div></div><div></div></div> <div>0.0% 1.7%</div>	Top Holdings 11/30/06		3-Year	1.2%	N/A	
	Utilities	<div><div></div><div></div></div> <div>4.0% 15.4%</div>	Company	% of Portfolio	5-Year	3.5%	N/A	
		Electronic Data Systems Corpor	5.3%	Sharpe Ratio				
		CA, Inc.	4.5%	3-Year			1.39	1.35
		St. Joe Corporation	4.0%	5-Year			1.01	0.80
		Cash Us	3.3%	R-Squared (3-Year Trailing)				
		Eastman Chemical Company	3.1%	vs. Asset Class Benchmark			0.87	N/A
		Unumprovident Corporation	3.1%	vs. Style Benchmark			0.88	N/A
		Agrium, Inc.	3.0%					
		Genworth Financial, Inc.	3.0%					
		Dow Jones & Company	3.0%					
		Flowserve Corporation	2.9%					
		% of Total Portfolio		35.2%				
		Manager Information						
		Lead Manager	Team Managed					
		Average Tenure on Product	2002					
		Ticker	HWMAX					
		Prospectus Information	www.hwcm.com					

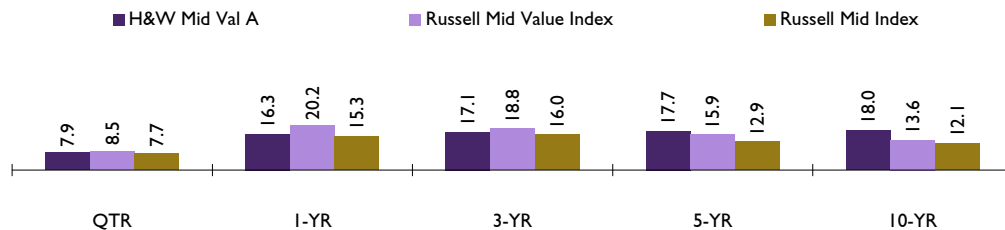
¹Representative Index Weights as of December 31, 2006

H&W Mid Val A

Russell Mid Value Index

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006³ (%)



Fund Strategy

Hotchkis and Wiley Mid-Cap Value Fund seeks capital appreciation. The Fund normally invests at least 80% of assets in equity securities of mid cap U.S. companies with market capitalizations within the range of the companies in the Russell Midcap Index. It may invest up to 20% of assets in foreign securities. The Fund may also invest in high-quality and short-term debt securities.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.
51	49	16	4	N/A
(31)	(31)	(31)	(31)	N/A

²Percentile Rank is based on the Russell universe of mid value mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Notes

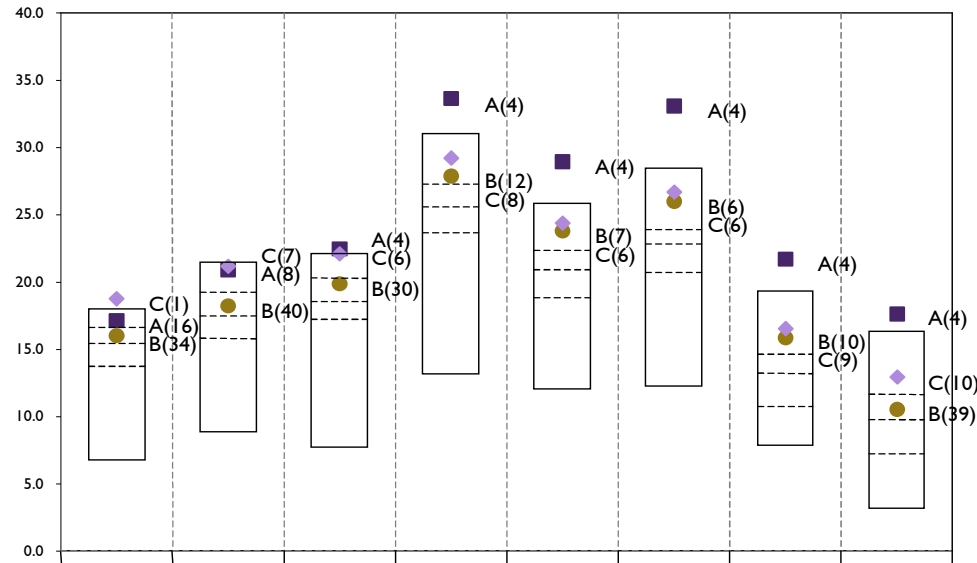
³Performance prior to 2q01 is from composite less expense ratio. This fund is closed to new investors.

Hotchkis and Wiley Mid Cap Value A

Performance-Based Analysis as of December 31, 2006

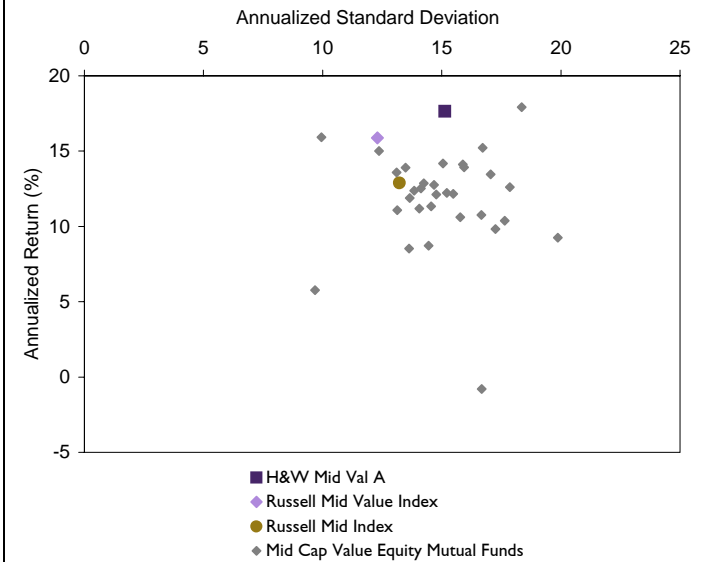
3-Year Rolling Returns

Returns vs. Russell Mid Value Index
Mid Cap Value Equity Mutual Funds Universe

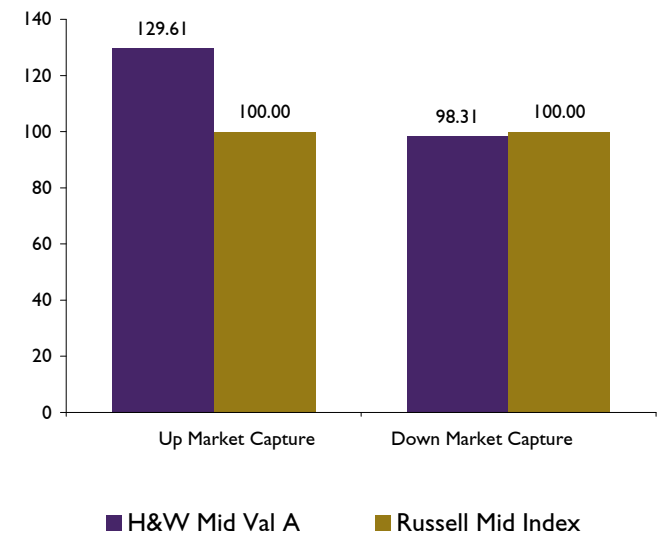


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	18.0	21.5	22.1	31.0	25.9	28.5	19.3	16.3
25th Percentile	16.6	19.2	20.3	27.3	22.4	23.9	14.6	11.6
Median	15.4	17.5	18.6	25.6	20.9	22.8	13.2	9.8
75th Percentile	13.7	15.8	17.2	23.7	18.8	20.7	10.7	7.2
95th Percentile	6.8	8.9	7.7	13.2	12.1	12.3	7.9	3.2
Member Count	31	32	32	32	32	32	32	26
H&W Mid Val A (A) ■	17.1	20.9	22.5	33.6	28.9	33.1	21.7	17.6
Russell Mid Index (B) ●	16.0	18.2	19.9	27.9	23.8	26.0	15.9	10.5
Russell Mid Value (C) ◆	18.8	21.2	22.1	29.2	24.4	26.7	16.5	13.0

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Munder Mid Cap Core Growth A

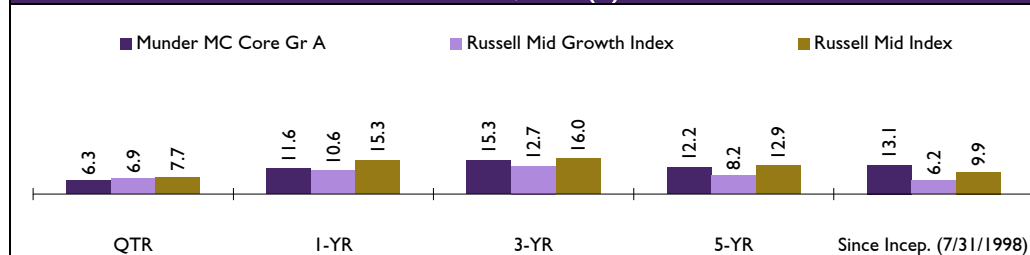
Holdings-Based Analysis

Sector Weights¹ 11/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06			
Con. Discretionary	<div><div></div><div></div></div> <div>15.3% 22.2%</div>	Avg Mkt Cap (\$ Mil.) (11/30/06)	\$3,823	Vs. Asset Class Benchmark		Manager	Index
		Number of Holdings (11/30/06)	83	Standard Deviation (%)			
Con. Staples	<div><div></div><div></div></div> <div>3.0% 4.3%</div>	Portfolio Information		3-Year		11.57	9.62
				5-Year		12.97	13.22
Energy	<div><div></div><div></div></div> <div>9.0% 8.1%</div>	Expense Ratio (11/30/06)	1.29%	Beta (Benchmark Specific Risk)			
		12b-1 Fee Included (11/30/06)	0.25%	3-Year		1.13	1.00
Financials	<div><div></div><div></div></div> <div>15.2% 9.0%</div>	Morningstar Average (07/31/06)	1.55%	5-Year		0.90	1.00
		Minimum Investment (11/30/06)	\$2,500				
Health Care	<div><div></div><div></div></div> <div>11.2% 14.7%</div>	Avg. Annual Turnover (11/30/06)	60%	Alpha (Added Value Relative to Benchmark)			
		Top Holdings 11/30/06		3-Year		-2.1%	N/A
Industrials	<div><div></div><div></div></div> <div>16.7% 14.6%</div>	Company	% of Portfolio	5-Year		0.4%	N/A
		L-3 Communications Holdings, I	2.4%				
Information Tech.	<div><div></div><div></div></div> <div>17.3% 19.3%</div>	Emcor Group, Inc.	2.3%	Sharpe Ratio			
		Phelps Dodge Corp.	2.1%	3-Year		1.07	1.35
Materials	<div><div></div><div></div></div> <div>5.1% 3.9%</div>	Cognizant Technology Solutions	2.1%	5-Year		0.76	0.80
		Equitable Resources, Inc.	2.0%				
Telecom. Services	<div><div></div><div></div></div> <div>0.8% 2.2%</div>	McDermott International	2.0%	R-Squared (3-Year Trailing)			
		ResMed, Inc.	2.0%	vs. Asset Class Benchmark		0.88	N/A
Utilities	<div><div></div><div></div></div> <div>6.5% 1.8%</div>	Stericycle, Inc.	2.0%	vs. Style Benchmark		0.86	N/A
		Gamestop Corporation A	2.0%				
		Penn National Gaming	1.8%				
		% of Total Portfolio					
		20.6%					
		Manager Information					
		Lead Manager	Team Managed				
		Average Tenure on Product	2004				
		Ticker	MGOAX				
		Prospectus Information	www.munder.com				

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Munder MidCap Select Fund seeks long-term capital appreciation. The Fund typically invests at least 65% of the assets in the equity securities of mid-capitalization companies. The advisor defines mid-capitalization companies as those with market capitalizations between \$100 million and \$9 billion at the time of purchase. Management generally selects between 50 to 100 companies for the fund's portfolio from a broader universe of companies represented by the S&P MidCap 400 index.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.
57	35	11	4	N/A
(103)	(103)	(103)	(103)	N/A

²Percentile Rank is based on the Russell universe of mid growth mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

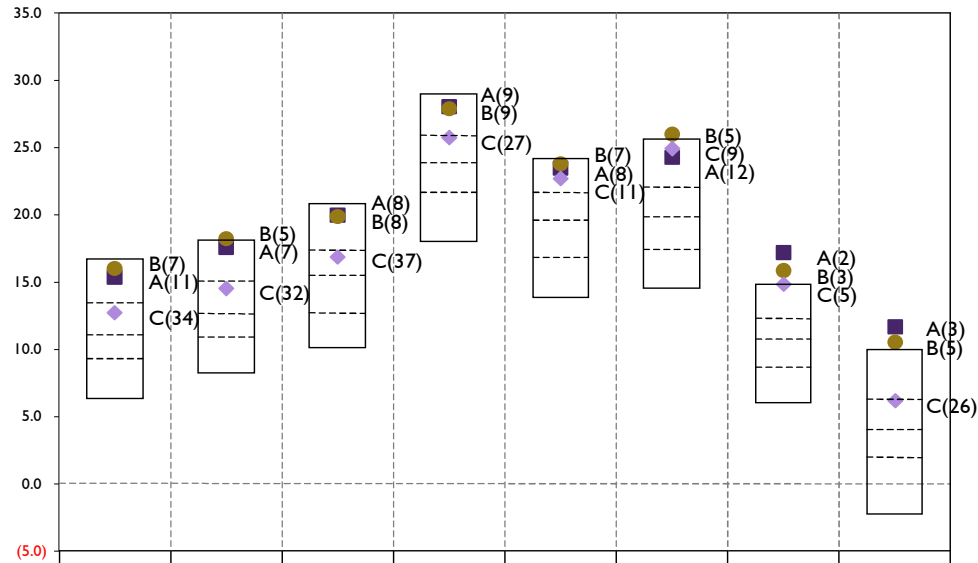
Notes

Munder Mid Cap Core Growth A

Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

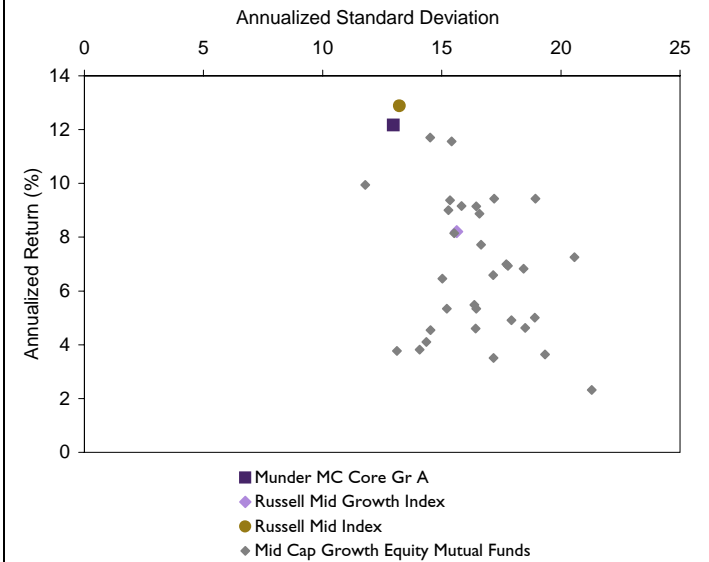
Returns vs. Russell Mid Growth Index
Mid Cap Growth Equity Mutual Funds Universe



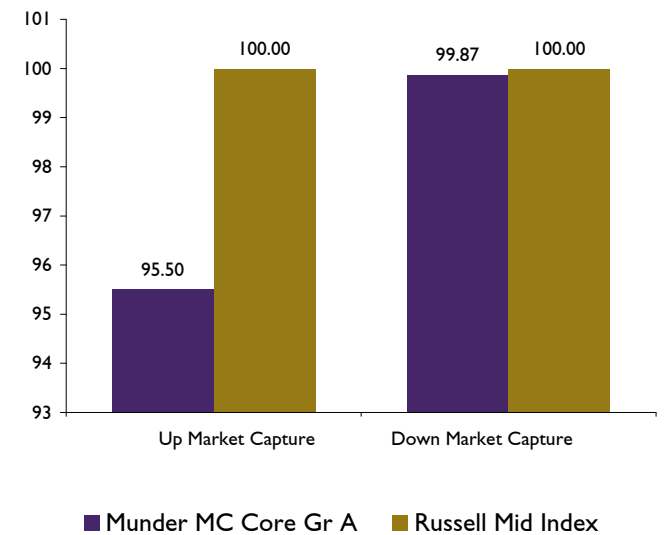
	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	16.7	18.1	20.8	29.0	24.2	25.6	14.8	10.0
25th Percentile	13.5	15.1	17.4	25.9	21.7	22.0	12.3	6.3
Median	11.1	12.6	15.5	23.9	19.6	19.9	10.7	4.0
75th Percentile	9.3	10.9	12.7	21.7	16.8	17.4	8.6	2.0
95th Percentile	6.4	8.2	10.1	18.0	13.9	14.5	6.0	(2.3)
Member Count	103	105	107	109	110	112	115	139
Munder MC Core Gr (A) ■	15.3	17.6	20.0	28.0	23.5	24.3	17.2	11.7
Russell Mid Index (B) ●	16.0	18.2	19.9	27.9	23.8	26.0	15.9	10.5
Russell Mid Growth (C) ◆	12.7	14.5	16.9	25.7	22.7	24.9	14.9	6.2

Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Munder Small-Cap Value Y

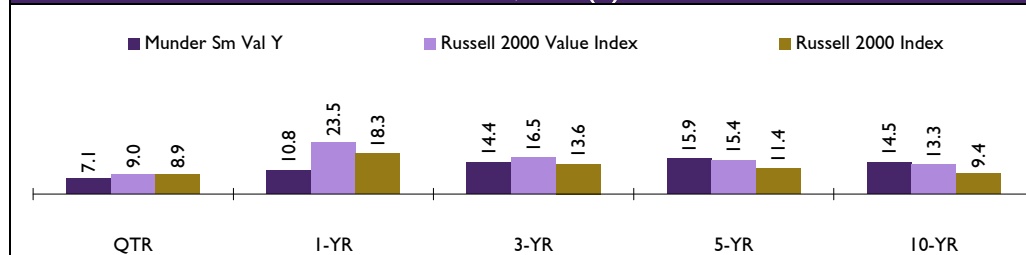
Holdings-Based Analysis

Sector Weights¹ 11/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06		
Con. Discretionary	<div><div></div><div></div></div> <div>15.1% 15.5%</div>	Avg Mkt Cap (\$ Mil.) (11/30/06) Number of Holdings (11/30/06)	\$1,408 108	Vs. Asset Class Benchmark		Manager Index
	Con. Staples			<div><div></div><div></div></div> <div>2.0% 3.5%</div>	Standard Deviation (%)	
Energy		<div><div></div><div></div></div> <div>9.0% 4.5%</div>	Portfolio Information		3-Year	12.59 13.76
	Financials	<div><div></div><div></div></div> <div>33.1% 34.9%</div>	Expense Ratio (11/30/06) 12b-1 Fee Included Morningstar Average (07/31/06) Minimum Investment (11/30/06) Avg. Annual Turnover (11/30/06)		5-Year	14.98 17.02
Health Care		<div><div></div><div></div></div> <div>5.8% 4.5%</div>	Top Holdings 11/30/06		Beta (Benchmark Specific Risk)	
	Industrials	<div><div></div><div></div></div> <div>14.6% 10.7%</div>	Company % of Portfolio		3-Year	0.85 1.00
Information Tech.		<div><div></div><div></div></div> <div>13.6% 13.4%</div>	Southwestern Energy Company 2.1% American Home Mortgage Investm 2.1% Newcastle Investment Corporati 2.1% Affiliated Managers Group, Inc 2.1% Ceradyne, Inc. 2.0% Diodes Inc. 1.8% AMCOL International Corporatio 1.8% Ametek, Inc. 1.7% Oshkosh Truck Corporation 1.7% Ryland Group, Inc. 1.7%		5-Year	0.79 1.00
	Materials	<div><div></div><div></div></div> <div>5.6% 5.8%</div>	% of Total Portfolio		Alpha (Added Value Relative to Benchmark)	
Telecom. Services		<div><div></div><div></div></div> <div>0.0% 1.5%</div>	Manager Information		3-Year	2.3% N/A
	Utilities	<div><div></div><div></div></div> <div>1.2% 5.7%</div>	Lead Manager Team Managed Average Tenure on Product 2002 Ticker MCVYX Prospectus Information www.munder.com		5-Year	5.9% N/A
			Sharpe Ratio			
			3-Year		0.91 0.77	
			5-Year		0.90 0.53	
			R-Squared (3-Year Trailing)			
			vs. Asset Class Benchmark		0.85 N/A	
			vs. Style Benchmark		0.86 N/A	

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¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Munder Small-Cap Value Fund seeks long-term capital appreciation; income is secondary. The Fund normally invests at least 65% of assets in equities issued by companies with market capitalizations less than \$750 million. The advisor seeks companies it judges to be undervalued and that exhibit a stable or improving earnings record, sound finances, and above-average growth prospects. The Fund may invest in foreign securities.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
89	94	63	34	12
(58)	(58)	(58)	(57)	(29)

²Percentile Rank is based on the Russell universe of small value mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
\$88	\$99	\$353	\$1,007	\$2,231

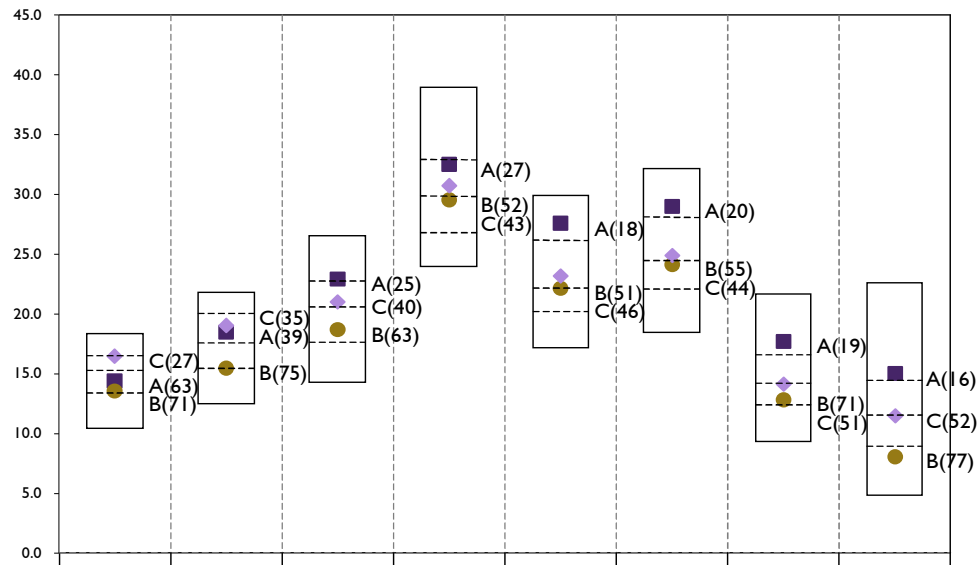
Notes

Munder Small-Cap Value Y

Performance-Based Analysis as of December 31, 2006

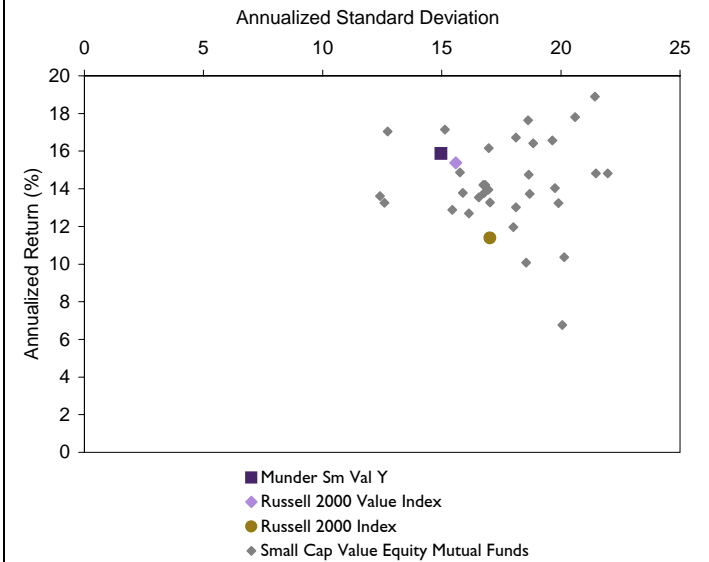
3-Year Rolling Returns

Returns vs. Russell 2000 Value Index
Small Cap Value Equity Mutual Funds Universe

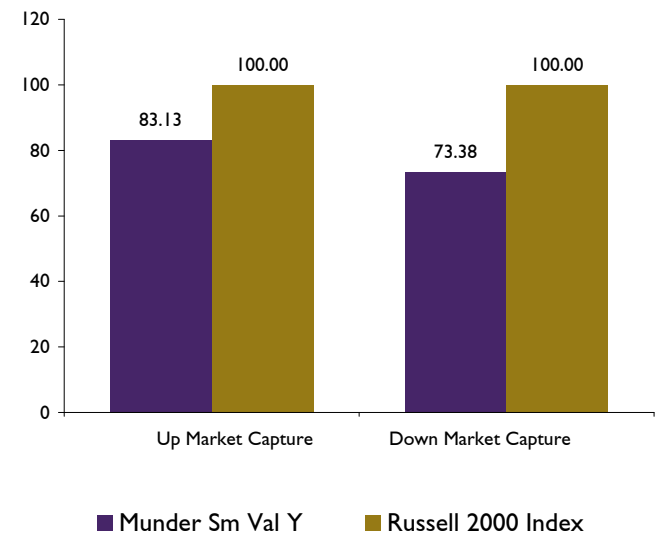


	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	18.3	21.8	26.5	39.0	29.9	32.2	21.7	22.6
25th Percentile	16.5	20.1	22.7	32.9	26.2	28.1	16.6	14.4
Median	15.3	17.6	20.6	29.9	22.2	24.5	14.2	11.5
75th Percentile	13.4	15.5	17.6	26.8	20.2	22.1	12.4	8.9
95th Percentile	10.4	12.5	14.3	24.0	17.2	18.5	9.3	4.8
Member Count	58	56	58	58	59	59	60	42
Munder Sm Val Y (A) ■	14.4	18.5	22.9	32.5	27.6	29.0	17.7	15.0
Russell 2000 Index (B) ●	13.6	15.5	18.7	29.5	22.1	24.1	12.8	8.0
Russell 2000 Value (C) ◆	16.5	19.0	21.0	30.7	23.2	24.9	14.1	11.5

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Neuberger Berman Genesis Tr

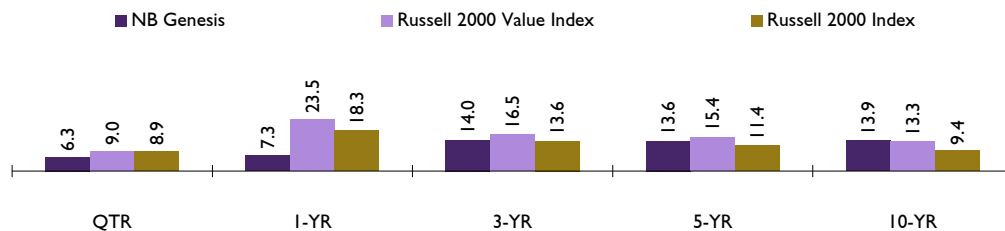
Holdings-Based Analysis

Sector Weights¹ 10/31/06		Portfolio Characteristics		Portfolio Statistics 12/31/06			
Con. Discretionary	<div><div></div><div></div></div> <div>5.9% 15.5%</div>	Avg Mkt Cap (\$ Mil.) (10/31/06)	\$2,388	Vs. Asset Class Benchmark		Manager	Index
		Number of Holdings (10/31/06)	130	Standard Deviation (%)			
Con. Staples	<div><div></div><div></div></div> <div>5.9% 3.5%</div>	Portfolio Information		3-Year		10.49	13.76
				5-Year		11.73	17.02
Energy	<div><div></div><div></div></div> <div>21.9% 4.5%</div>	Expense Ratio (10/31/06)	1.10%	Beta (Benchmark Specific Risk)			
		12b-1 Fee Included	N/A	3-Year		0.65	1.00
Financials	<div><div></div><div></div></div> <div>10.1% 34.9%</div>	Morningstar Average (07/31/06)	1.52%	5-Year		0.61	1.00
		Minimum Investment (10/31/06)	\$1,000				
Health Care	<div><div></div><div></div></div> <div>21.0% 4.5%</div>	Avg. Annual Turnover (10/31/06)	19%	Alpha (Added Value Relative to Benchmark)			
		Top Holdings 10/31/06		3-Year		3.9%	N/A
Industrials	<div><div></div><div></div></div> <div>20.4% 10.7%</div>	Company	% of Portfolio	5-Year		5.2%	N/A
		Neuberger Berman Prime Money F	5.2%				
Information Tech.	<div><div></div><div></div></div> <div>8.6% 13.4%</div>	XTO Energy, Inc.	3.0%	Sharpe Ratio			
		National Oilwell Varco, Inc.	2.7%	3-Year		1.05	0.77
Materials	<div><div></div><div></div></div> <div>5.8% 5.8%</div>	Church & Dwight Company, Inc.	2.6%	5-Year		0.96	0.53
		Alberto Culver Company	2.5%				
Telecom. Services	<div><div></div><div></div></div> <div>0.0% 1.5%</div>	Henry Schein, Inc.	2.0%	R-Squared (3-Year Trailing)			
		Mentor Corporation	2.0%	vs. Asset Class Benchmark		0.71	N/A
Utilities	<div><div></div><div></div></div> <div>0.3% 5.7%</div>	Southwestern Energy Company	2.0%	vs. Style Benchmark		0.69	N/A
		Denbury Resources, Inc.	1.8%				
		AptarGroup, Inc.	1.7%				
		% of Total Portfolio					
		25.4%					
		Manager Information					
		Lead Manager	Team Managed				
		Average Tenure on Product	2000				
		Ticker	NBGEX				
		Prospectus Information	www.nb.com				

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Neuberger Berman Genesis Fund seeks growth of capital. The Fund invests primarily in common stocks of companies with market capitalizations of \$1.5 billion or less at the time of purchase. Management seeks securities it believes to be undervalued and that are issued by companies that have above-average returns, an established market niche, the ability to finance their own growth and sound future business prospects.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)					Notes				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.	2001	2002	2003	2004	2005
95	95	66	67	14	\$3,415	\$4,063	\$3,488	\$4,825	\$6,792
(58)	(58)	(58)	(57)	(29)					

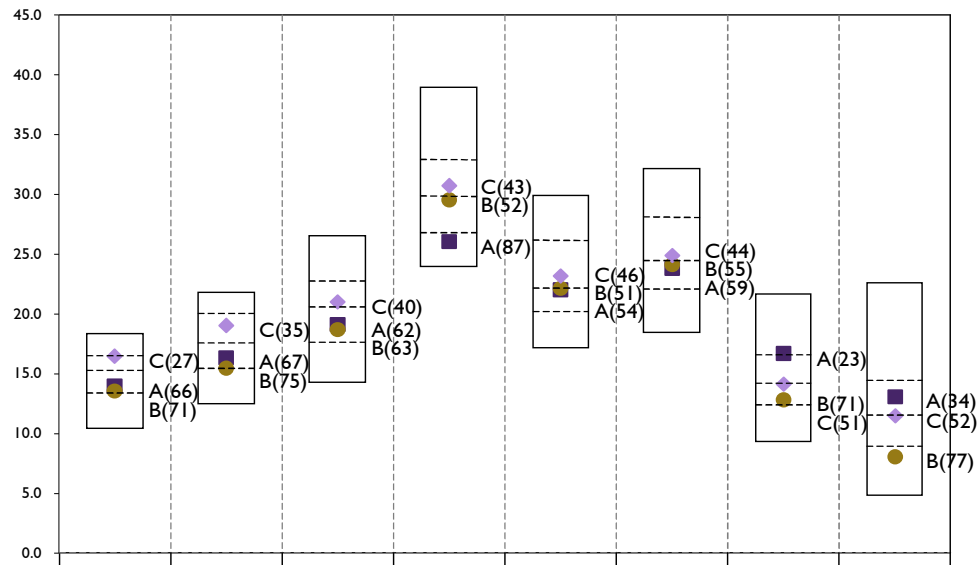
²Percentile Rank is based on the Russell universe of small value mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Neuberger Berman Genesis Tr

Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

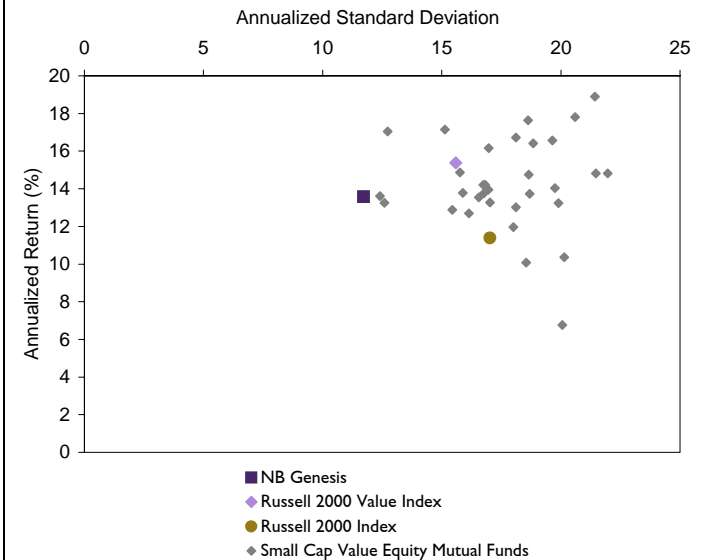
Returns vs. Russell 2000 Value Index
Small Cap Value Equity Mutual Funds Universe



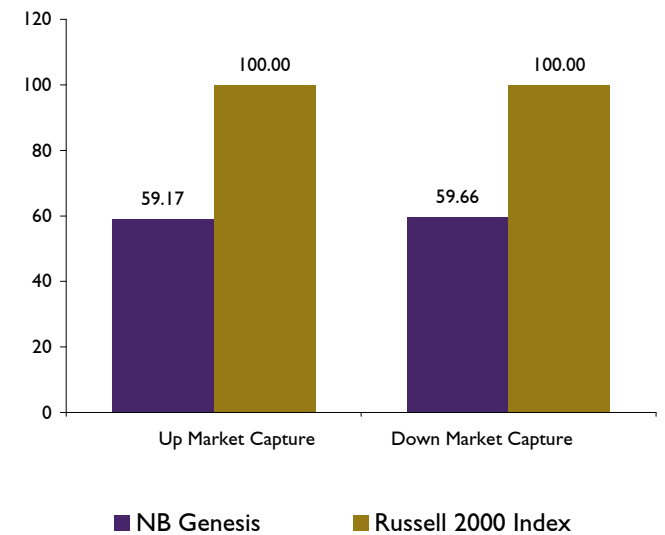
	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	18.3	21.8	26.5	39.0	29.9	32.2	21.7	22.6
25th Percentile	16.5	20.1	22.7	32.9	26.2	28.1	16.6	14.4
Median	15.3	17.6	20.6	29.9	22.2	24.5	14.2	11.5
75th Percentile	13.4	15.5	17.6	26.8	20.2	22.1	12.4	8.9
95th Percentile	10.4	12.5	14.3	24.0	17.2	18.5	9.3	4.8
Member Count	58	56	58	58	59	59	60	42
NB Genesis (A)	14.0	16.3	19.1	26.1	22.0	23.8	16.7	13.1
Russell 2000 Index (B)	13.6	15.5	18.7	29.5	22.1	24.1	12.8	8.0
Russell 2000 Value (C)	16.5	19.0	21.0	30.7	23.2	24.9	14.1	11.5

Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Vanguard Small Cap Index Adm

Holdings-Based Analysis

Sector Weights ¹ 09/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06		
Con. Discretionary	14.4%	Avg Mkt Cap (\$ Mil.) (09/30/06) Number of Holdings (09/30/06)	\$1,467 1,735	Vs. Asset Class Benchmark		Manager Index
	15.8%			Standard Deviation (%)		
Con. Staples	2.7%	Portfolio Information		3-Year		12.48 12.44
	3.1%			5-Year		16.17 15.74
Energy	7.6%	Expense Ratio (09/30/06) 12b-1 Fee Included Morningstar Average (07/31/06) Minimum Investment (09/30/06) Avg. Annual Turnover (09/30/06)	0.13% N/A 1.45% \$100,000 18%	Beta (Benchmark Specific Risk)		
	5.4%			3-Year		1.00 1.00
Financials	22.1%	Top Holdings 09/30/06		5-Year		1.02 1.00
	22.5%			Alpha (Added Value Relative to Benchmark)		
Health Care	10.2%	Company % of Portfolio		3-Year		0.0% N/A
	11.9%			5-Year		-0.8% N/A
Industrials	16.1%	Level 3 Communications, Inc. Camden Property Trust Covance, Inc. Federal Realty Investment Trus Roper Industries, Inc. FMC Technologies, Inc. HCC Insurance Holdings Inc. Ventas, Inc. Northeast Utilities Reckson Associates Realty Corp	0.3% 0.3% 0.2% 0.2% 0.2% 0.2% 0.2% 0.2% 0.2% 0.2%	Sharpe Ratio		
	13.8%			3-Year		0.91 0.91
Information Tech.	15.3%	% of Total Portfolio	2.3%	5-Year		0.58 0.64
	18.4%			R-Squared (3-Year Trailing)		
Materials	5.8%	Manager Information		vs. Asset Class Benchmark		1.00 N/A
	4.7%			vs. Style Benchmark		0.99 N/A
Telecom. Services	1.4%	Lead Manager Average Tenure on Product Ticker Prospectus Information	Michael H. Buek 2005 VSMAX www.vanguard.com			
	1.4%					
Utilities	4.4%					
	3.0%					

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006³ (%)



Fund Strategy

Vanguard Small Capitalization Index Fund seeks investment results paralleling those of the MSCI US Small Cap 1750 Index. The Fund invests in a statistically selected sample of the stocks included in the MSCI US Small Cap 1750 Index. Stocks are selected on the basis of industry weightings, market sensitivity, and fundamental characteristics such as capitalization, earnings variability, and financial leverage.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.
41	34	30	40	55
(308)	(308)	(308)	(307)	(167)

²Percentile Rank is based on the Russell universe of small blend mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Notes

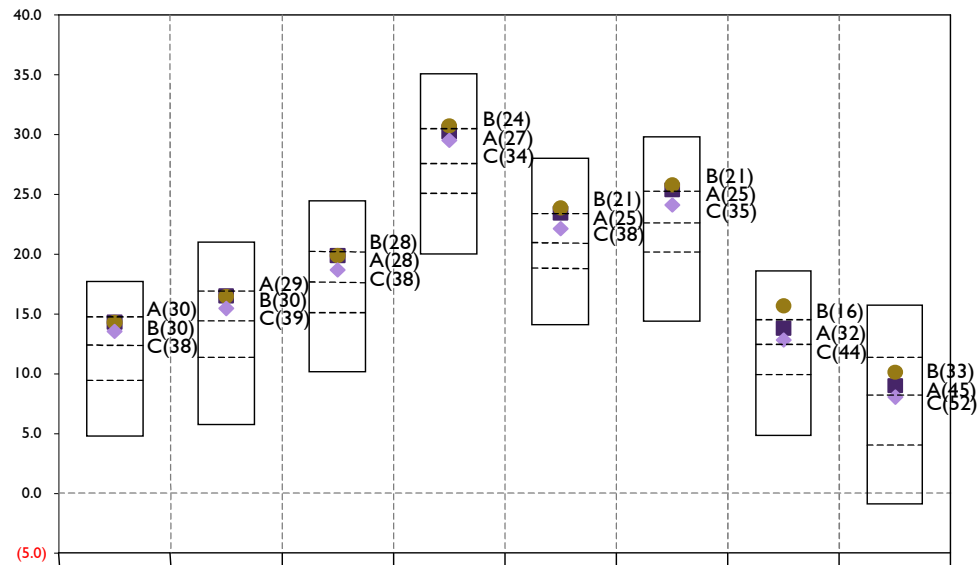
³Performance prior to 1q01 is the Investor shares of the mutual fund less the Admiral expense ratio.

Vanguard Small Cap Index Adm

Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

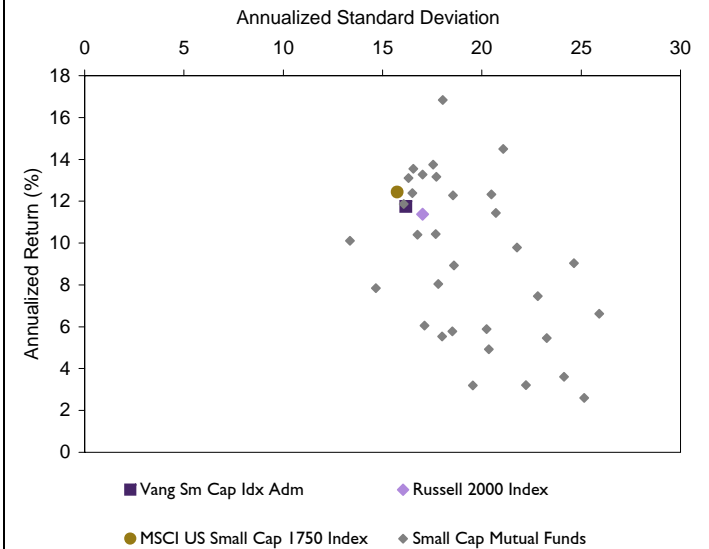
Returns vs. Russell 2000 Index
Small Cap Mutual Funds Universe



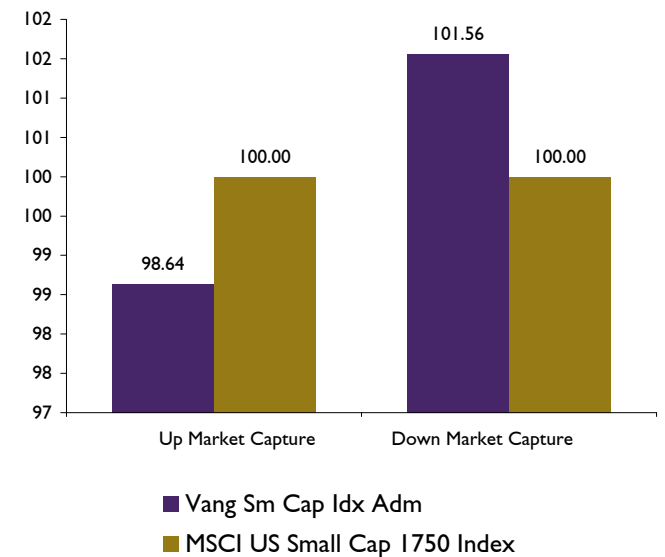
	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	17.7	21.0	24.5	35.1	28.0	29.8	18.6	15.7
25th Percentile	14.7	16.9	20.2	30.5	23.4	25.3	14.5	11.3
Median	12.4	14.4	17.6	27.6	20.9	22.6	12.4	8.2
75th Percentile	9.4	11.4	15.1	25.1	18.8	20.2	9.9	4.0
95th Percentile	4.8	5.7	10.1	20.0	14.1	14.4	4.8	(0.9)
Member Count	308	312	319	323	325	326	331	261
Vang Sm Cap Idx Adm (A)	14.3	16.5	19.9	30.2	23.4	25.4	13.8	9.0
MSCI US Small Cap (B)	14.3	16.5	19.9	30.7	23.9	25.8	15.7	10.1
Russell 2000 Index (C)	13.6	15.5	18.7	29.5	22.1	24.1	12.8	8.0

Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



Managers AMG Es SmMrCpGr

Holdings-Based Analysis

Sector Weights ¹ 12/31/06			Portfolio Characteristics 12/31/06		Portfolio Statistics 12/31/06				
Con. Discretionary	<div><div></div><div></div></div> <div>7.3% 16.1%</div>		Avg Mkt Cap (\$ Mil.)	\$495	Vs. Asset Class Benchmark		Manager	Index	
			Number of Holdings	85	Standard Deviation (%)				
Con. Staples	<div><div></div><div></div></div> <div>3.8% 2.6%</div>		Portfolio Information		3-Year		17.47	13.76	
				Expense Ratio		1.49%	5-Year		20.73
Energy	<div><div></div><div></div></div> <div>0.9% 6.4%</div>		12b-1 Fee Included		0.25%	Beta (Benchmark Specific Risk)			
			Morningstar Average (07/31/06)	1.67%	3-Year		1.16	1.00	
Financials	<div><div></div><div></div></div> <div>3.5% 9.3%</div>		Minimum Investment		\$2,000	5-Year		1.16	1.00
			Avg. Annual Turnover	78%					
Health Care	<div><div></div><div></div></div> <div>27.4% 19.8%</div>		Top Holdings 11/30/06		Alpha (Added Value Relative to Benchmark)				
			Company	% of Portfolio	3-Year		-1.9%	N/A	
Industrials	<div><div></div><div></div></div> <div>12.6% 17.1%</div>		Illumina, Inc.		2.4%	5-Year		0.8%	N/A
			Anadigics, Inc.	2.4%					
Information Tech.	<div><div></div><div></div></div> <div>41.7% 23.8%</div>		Kyphon, Inc.		2.3%	Sharpe Ratio			
			Bucyrus International, Inc. A	2.1%	3-Year		0.56	0.77	
Materials	<div><div></div><div></div></div> <div>2.9% 3.5%</div>		Somanetics Corporation		1.8%	5-Year		0.53	0.53
			Omniceil, Inc.	1.8%					
Telecom. Services	<div><div></div><div></div></div> <div>0.0% 1.3%</div>		OPNET Technologies, Inc.		1.7%	R-Squared (3-Year Trailing)			
			Stratex Networks, Inc.	1.6%	vs. Asset Class Benchmark		0.83	N/A	
Utilities	<div><div></div><div></div></div> <div>0.0% 0.1%</div>		Columbus McKinnon Corporation		1.6%	vs. Style Benchmark		0.88	N/A
			BioLase Technology	1.6%					
			% of Total Portfolio		19.3%				
			Manager Information						
			Lead Manager		Nancy Prial				
			Average Tenure on Product		2002				
			Ticker		MBRSX				
			Prospectus Information		www.managersamg.com				

■ Mgrs Essex Sm Gr

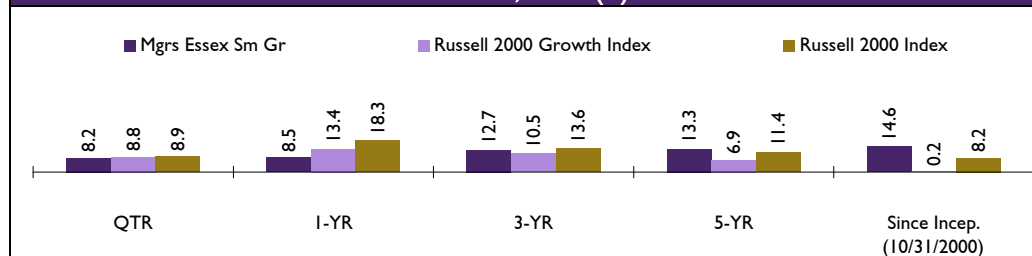
■ Russell 2000 Growth Index

1

Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006³ (%)



Fund Strategy

Managers AMG Essex Small/Micro Cap Growth Fund seeks long-term capital appreciation. The Fund normally invests at least 80% of assets in companies that, at the time of purchase, have capitalizations within the range represented by the Russell 2000 Index.

Russell Percentile Rank²

QTR.	1-YR.	3-YR.	5-YR.	10-YR.
45	71	27	4	N/A
(162)	(162)	(162)	(162)	N/A

²Percentile Rank is based on the Russell universe of small growth mutual funds, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Year-End Assets (\$ Mil.)

2001	2002	2003	2004	2005
N/A	N/A	\$8	\$15	\$14

Notes

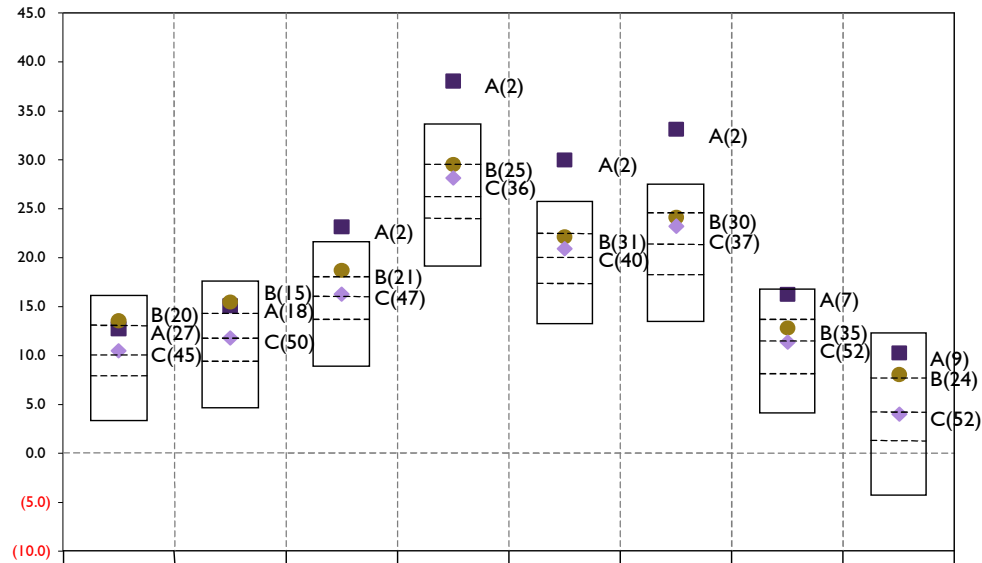
³Performance prior to June 2002 is from composite less expense ratio.

Managers AMG Es SmMrCpGr

Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

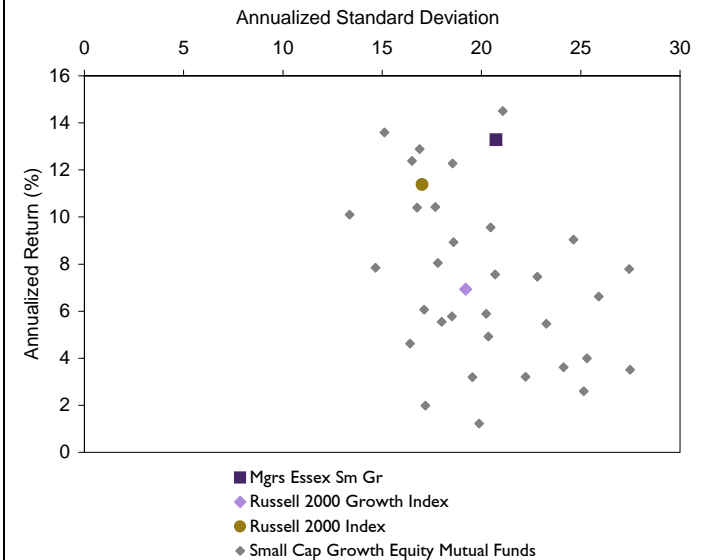
Returns vs. Russell 2000 Growth Index
Small Cap Growth Equity Mutual Funds Universe



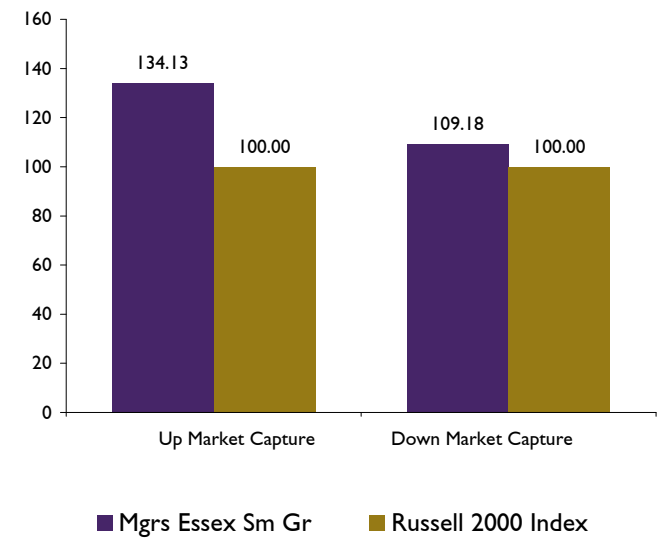
	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	16.1	17.6	21.6	33.7	25.7	27.5	16.8	12.3
25th Percentile	13.0	14.3	18.1	29.5	22.5	24.6	13.7	7.7
Median	10.1	11.8	16.0	26.2	20.0	21.4	11.5	4.2
75th Percentile	7.9	9.4	13.7	24.0	17.3	18.3	8.1	1.3
95th Percentile	3.3	4.6	8.9	19.1	13.2	13.5	4.1	(4.3)
Member Count	162	168	170	175	174	176	179	149
Mgrs Essex Sm Gr (A) ■	12.7	15.1	23.1	38.0	30.0	33.1	16.2	10.3
Russell 2000 Index (B) ●	13.6	15.5	18.7	29.5	22.1	24.1	12.8	8.0
Russell 2000 Growth (C) ◆	10.5	11.8	16.3	28.1	20.9	23.2	11.4	4.0

Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Risk/Return -- 5-Year



Up Market/Down Market Capture -- 5 Years



American Funds New Perspective R4

Holdings-Based Analysis

Country Weights ¹ 09/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06			
<div>DEVELOPED MARKETS</div> <div>Europe</div> <div>United Kingdom</div> <div>Germany</div> <div>France</div> <div>Asia Pacific</div> <div>Japan</div> <div>Hong Kong</div> <div>Australia</div> <div>Canada</div> <div>EMERGING MARKETS</div> <div>Latin America</div> <div>Asia</div> <div>Eur/Mid E/Africa</div> <div>UNITED STATES</div>	<div><div></div><div>90.5%</div></div> <div><div></div><div>91.8%</div></div>	Avg Mkt Cap (\$ Mil.) (09/30/06)	\$44,704	Vs. Asset Class Benchmark			
		44.4%	Number of Holdings (09/30/06)	350	Standard Deviation (%)		
		30.3%	Portfolio Information		3-Year9.058.11		
		9.1%	Expense Ratio (09/30/06)	0.75%	5-Year13.7212.60		
		10.4%	12b-1 Fee Included (09/30/06)	0.23%	Beta (Benchmark Specific Risk)		
		6.2%	Morningstar Average (07/31/06)	1.62%	3-Year1.081.00		
		3.3%	Minimum Investment	N/A	5-Year1.071.00		
		7.7%	Avg. Annual Turnover (09/30/06)	32%	Alpha (Added Value Relative to Benchmark)		
		4.4%	Top Holdings 09/30/06		3-Year-1.9%N/A		
		13.0%	Company	% of Portfolio	5-Year-0.1%N/A		
	13.6%	Roche Holding	3.0%	Sharpe Ratio			
	9.4%	Altria Group, Inc.	1.8%	3-Year1.331.62			
	9.9%	Microsoft Corporation	1.6%	5-Year0.690.71			
	0.5%	Samsung Electronics	1.4%	R-Squared (3-Year Trailing)			
	0.8%	AstraZeneca	1.4%	vs. Asset Class Benchmark0.94N/A			
	2.0%	Nestle	1.4%	vs. Style BenchmarkN/AN/A			
	2.4%	Barrick Gold Corporation	1.3%				
	3.2%	General Electric Company	1.3%				
	3.2%	ING Groep	1.2%				
	9.3%	Oracle Corporation	1.2%				
	8.2%	% of Total Portfolio	15.6%				
	2.5%	Manager Information					
	1.7%	Lead Manager	Team Managed				
	6.2%	Average Tenure on Product	1999				
	4.3%	Ticker	RNPEX				
	0.6%	Prospectus Information	N/A				
	2.2%						
	30.0%						
	44.7%						

■ Am Fnds New Pers

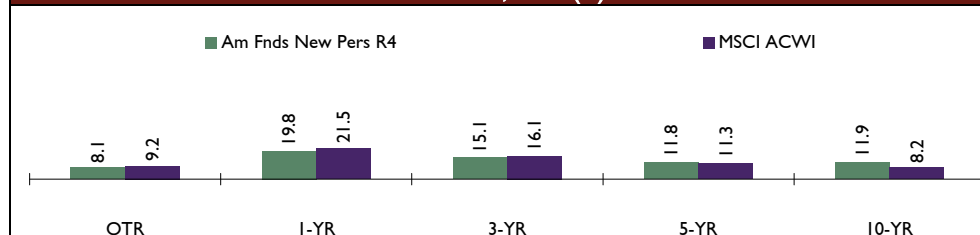
■ R4

■ MSCI ACWI

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

American Funds New Perspective Fund seeks long-term growth of capital; income is a secondary consideration. The Fund primarily invests in common stocks of foreign and U.S. companies. The advisor looks for worldwide changes in international-trade patterns and economic and political relationships. It then searches for companies that may benefit from the new opportunities created by such changes. The advisor closely follows securities, industries, governments, and currency-exchange markets worldwide.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.
66	53	57	43	25
(54)	(54)	(54)	(54)	(37)

²Percentile Rank is based on the Russell global style mutual funds, universe, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Notes

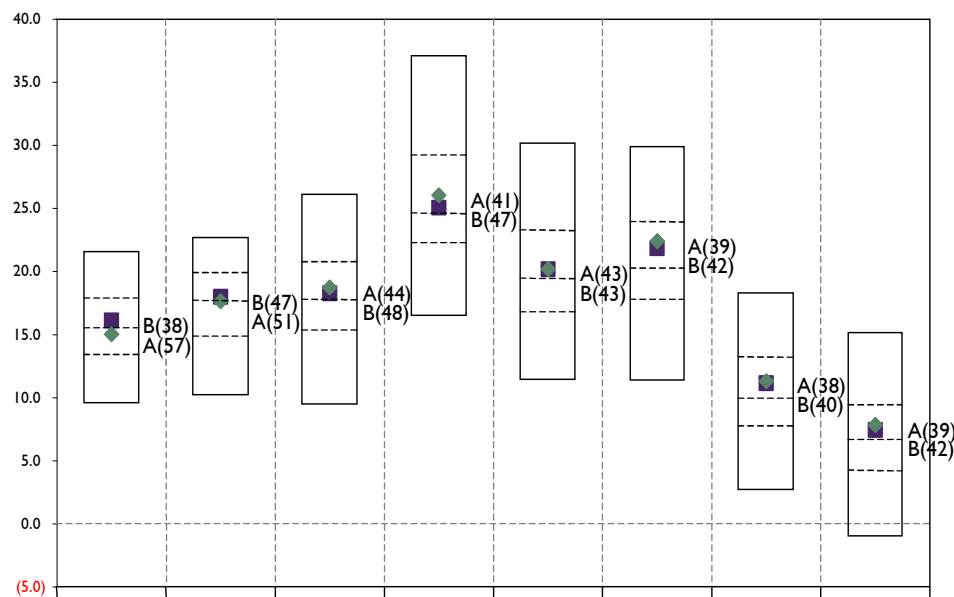
Capital Research & Management is the subadvisor for American Funds New Perspective Fund.

American Funds New Perspective R4

Performance-Based Analysis as of December 31, 2006

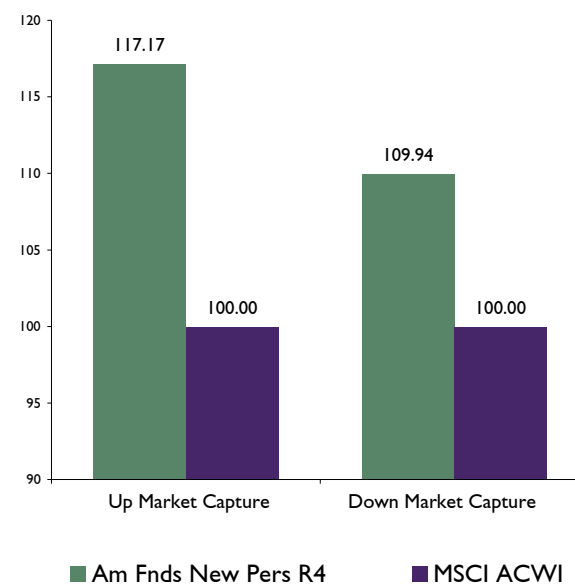
3-Year Rolling Returns

Returns vs. MSCI ACWI
World Equity Mutual Funds Universe



	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	21.6	22.7	26.1	37.1	30.2	29.9	18.3	15.1
25th Percentile	17.9	19.9	20.8	29.3	23.3	23.9	13.2	9.4
Median	15.6	17.7	17.8	24.6	19.4	20.3	10.0	6.7
75th Percentile	13.4	14.9	15.4	22.3	16.8	17.8	7.8	4.2
95th Percentile	9.6	10.2	9.5	16.6	11.5	11.4	2.7	(1.0)
Member Count	54	53	54	54	54	54	55	68
Am Fnds New Pers (A) ◆	15.1	17.7	18.7	26.1	20.2	22.4	11.3	7.9
MSCI ACWI (B) ■	16.1	18.0	18.3	25.1	20.2	21.9	11.2	7.5

Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Arnerich Massena & Associates, Inc. ~ Quarter Ending December 31, 2006

Mutual Discovery Z

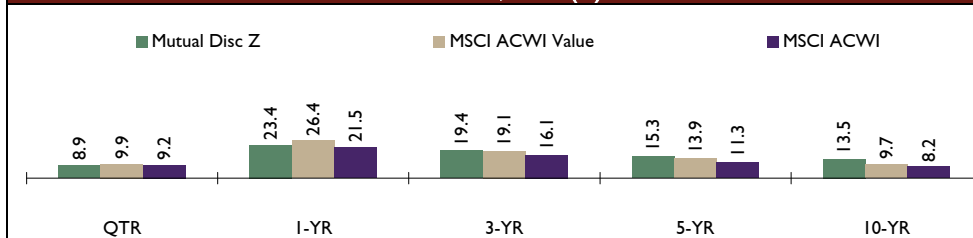
Holdings-Based Analysis

Country Weights ¹ 09/30/06		Portfolio Characteristics		Portfolio Statistics 12/31/06		
DEVELOPED MARKETS Europe United Kingdom Germany France Asia Pacific Japan Hong Kong Australia Canada		Avg Mkt Cap (\$ Mil.) (09/30/06)	\$14,397	Vs. Asset Class Benchmark	Manager	Index
		Number of Holdings (09/30/06)	303			
		Portfolio Information				
		Expense Ratio (09/30/06)	1.07%			
		12b-1 Fee Included	N/A			
		Morningstar Average (07/31/06)	1.62%			
		Minimum Investment (09/30/06)	\$1,000			
		Avg. Annual Turnover (09/30/06)	26%			
		Top Holdings 09/30/06				
			Company	% of Portfolio		
EMERGING MARKETS Latin America Asia Eur/Mid E/Africa UNITED STATES		Cash & Cash Equivalents	8.5%			
		KT&G	2.4%			
		British American Tobacco	2.4%			
		Orkla	2.1%			
		Imperial Tobacco Grp	1.8%			
		Weyerhaeuser Company	1.6%			
		Carrefour	1.4%			
		Carlsberg	1.4%			
		Altadis	1.3%			
		Pernod Ricard	1.3%			
		% of Total Portfolio	24.2%			
	Manager Information					
		Lead Manager	Team Managed			
		Average Tenure on Product	2005			
		Ticker	MDISX			
		Prospectus Information	www.franklintempleton.com			
				Beta (Benchmark Specific Risk)		
				3-Year	0.81	1.00
				5-Year	0.65	1.00
				Alpha (Added Value Relative to Benchmark)		
				3-Year	5.3%	N/A
				5-Year	6.6%	N/A
				Sharpe Ratio		
				3-Year	2.28	1.62
				5-Year	1.38	0.71
				R-Squared (3-Year Trailing)		
				vs. Asset Class Benchmark	0.82	N/A
				vs. Style Benchmark	0.82	N/A

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Mutual Discovery Fund seeks capital appreciation. The Fund normally invests, following a value-oriented strategy, in companies with market capitalizations greater than \$1.5 billion. It may, however, invest in smaller companies. The Fund can invest up to 100% of assets in foreign equity and debt securities and may use forward currency exchange contracts to hedge against currency risks. It can also invest in debt securities in any rating category.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.
46	17	11	21	11
(54)	(54)	(54)	(54)	(37)

²Percentile Rank is based on the Russell global style mutual funds, universe, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

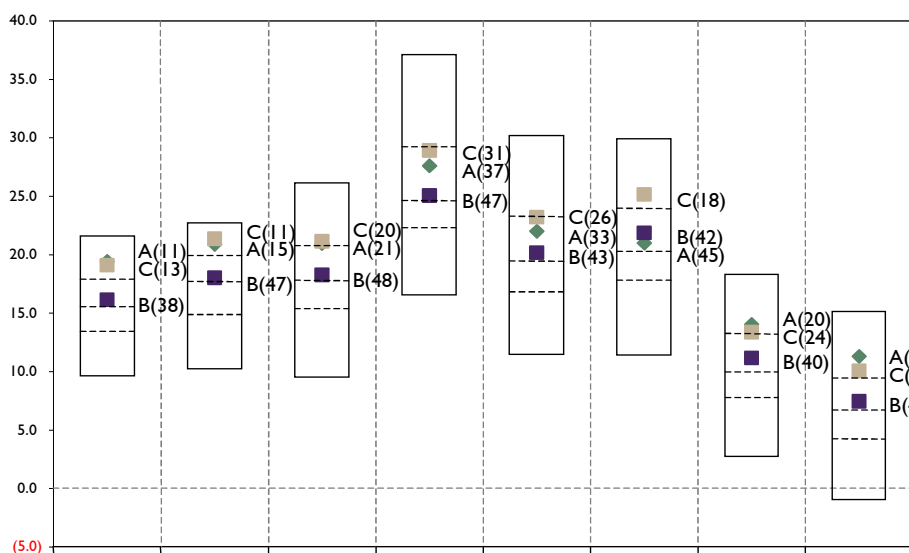
Notes

Mutual Discovery Z

Performance-Based Analysis as of December 31, 2006

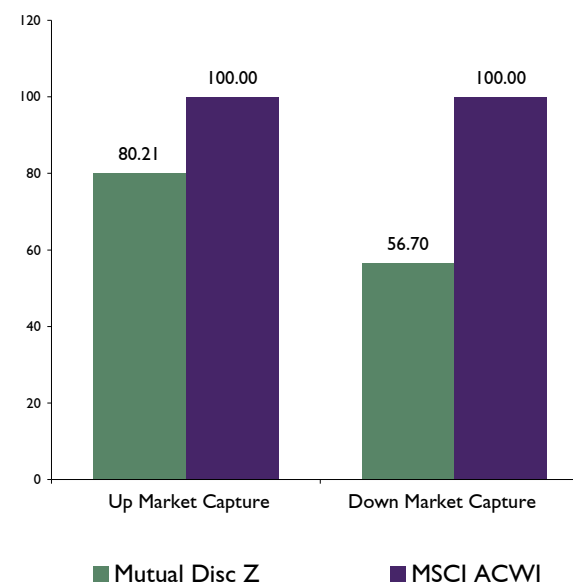
3-Year Rolling Returns

Returns vs. MSCI ACWI Value
World Equity Mutual Funds Universe



	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	21.6	22.7	26.1	37.1	30.2	29.9	18.3	15.1
25th Percentile	17.9	19.9	20.8	29.3	23.3	23.9	13.2	9.4
Median	15.6	17.7	17.8	24.6	19.4	20.3	10.0	6.7
75th Percentile	13.4	14.9	15.4	22.3	16.8	17.8	7.8	4.2
95th Percentile	9.6	10.2	9.5	16.6	11.5	11.4	2.7	(1.0)
Member Count	54	53	54	54	54	54	55	68
Mutual Disc Z (A)	19.4	20.9	21.0	27.6	22.0	21.0	14.1	11.3
MSCI ACWI (B)	16.1	18.0	18.3	25.1	20.2	21.9	11.2	7.5
MSCI ACWI Value (C)	19.1	21.4	21.2	28.9	23.2	25.2	13.4	10.1

Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Arnerich Massena & Associates, Inc. ~ Quarter Ending December 31, 2006

Dodge and Cox International Stock

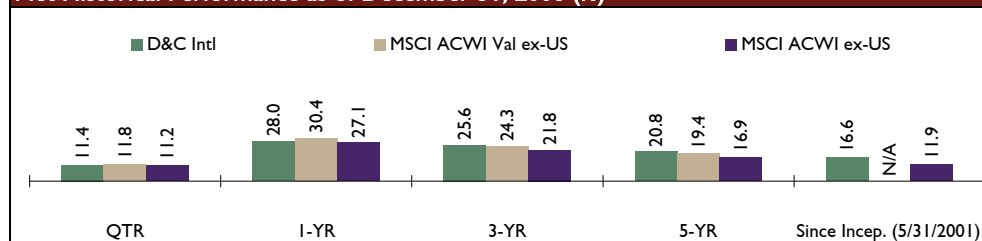
Holdings-Based Analysis

Country Weights ¹ 09/30/06			Portfolio Characteristics		Portfolio Statistics 12/31/06			
DEVELOPED MARKETS	<div><div></div><div></div></div>	85.1% 85.2%	Avg Mkt Cap (\$ Mil.) (09/30/06)	\$24,006	Vs. Asset Class Benchmark		Manager	Index
			Number of Holdings (09/30/06)	85	Standard Deviation (%)			
Europe	<div><div></div><div></div></div>	50.9% 54.7%	Portfolio Information		3-Year		10.43	10.18
					5-Year		16.43	13.62
United Kingdom	<div><div></div><div></div></div>	11.2% 18.8%	Expense Ratio (09/30/06) 0.70% 12b-1 Fee Included N/A Morningstar Average (07/31/06) 1.62% Minimum Investment (09/30/06) \$2,500 Avg. Annual Turnover (09/30/06) 7%		Beta (Benchmark Specific Risk)			
					3-Year		0.98	1.00
Germany	<div><div></div><div></div></div>	6.7% 5.9%	Top Holdings 09/30/06		5-Year		1.14	1.00
					Alpha (Added Value Relative to Benchmark)			
France	<div><div></div><div></div></div>	9.2% 8.0%	Company % of Portfolio		3-Year		3.5%	N/A
					5-Year		1.8%	N/A
Asia Pacific	<div><div></div><div></div></div>	28.2% 24.6%	Repurchase Agreement 4.0%		Sharpe Ratio			
					3-Year		2.16	1.85
Japan	<div><div></div><div></div></div>	22.8% 17.9%	Sanofi-Synthelabo 3.4%		5-Year		1.12	1.07
					R-Squared (3-Year Trailing)			
Hong Kong	<div><div></div><div></div></div>	2.5% 1.4%	News Cl A 2.8%		vs. Asset Class Benchmark		0.91	N/A
					vs. Style Benchmark		0.90	N/A
Australia	<div><div></div><div></div></div>	1.4% 4.4%	HSBC Hldgs 2.4%					
Canada	<div><div></div><div></div></div>	1.0% 5.8%	Nokia 2.4%					
EMERGING MARKETS	<div><div></div><div></div></div>	14.9% 14.8%	Matsushita Electric Industrial 2.3%					
Latin America	<div><div></div><div></div></div>	7.8% 3.1%	Royal Bank Of Scotland Grp 2.3%					
Asia	<div><div></div><div></div></div>	4.4% 7.8%	Infineon Technologies 2.3%					
Eur/Mid E/Africa	<div><div></div><div></div></div>	2.6% 3.9%	GlaxoSmithKline PLC ADR 2.2%					
			Hitachi, Ltd 2.2%					
			% of Total Portfolio		26.2%			
			Manager Information					
			Lead Manager	Team Managed				
			Average Tenure on Product	2002				
			Ticker	DODFX				
			Prospectus Information	www.dodgeandcox.com				

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006 (%)



Fund Strategy

Dodge & Cox International Stock Fund seeks long-term growth of principal and income. The Fund will generally invest at least 80% of its assets in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different countries, including emerging markets. It focuses on countries whose economic and political systems appear more stable and are believed to provide some protection to foreign shareholders. Under normal circumstances, the Fund will invest at in common stocks.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)					Notes				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.	2001	2002	2003	2004	2005
26	24	3	5	N/A	\$25	\$117	\$655	\$4,203	\$13,357
(87)	(87)	(87)	(86)	N/A					

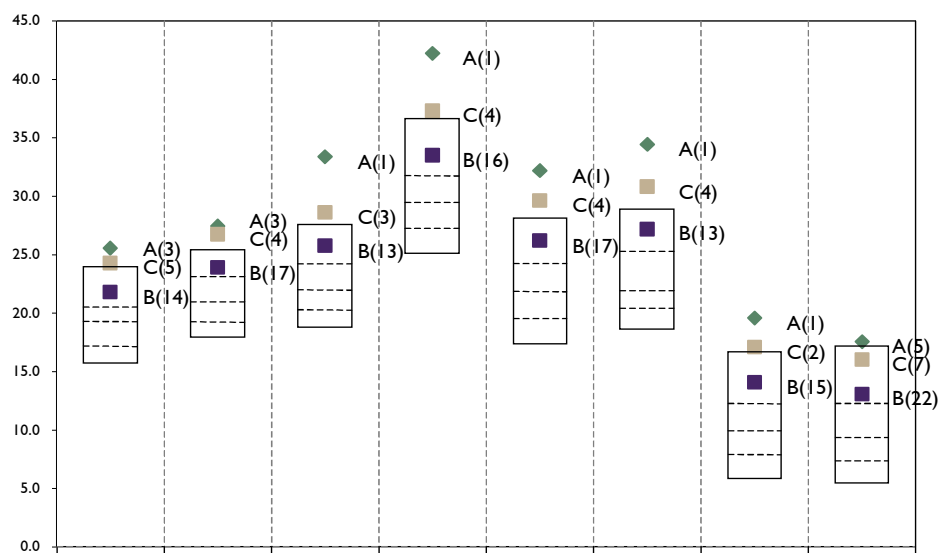
²Percentile Rank is based on the Russell International style mutual funds, universe, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Dodge and Cox International Stock

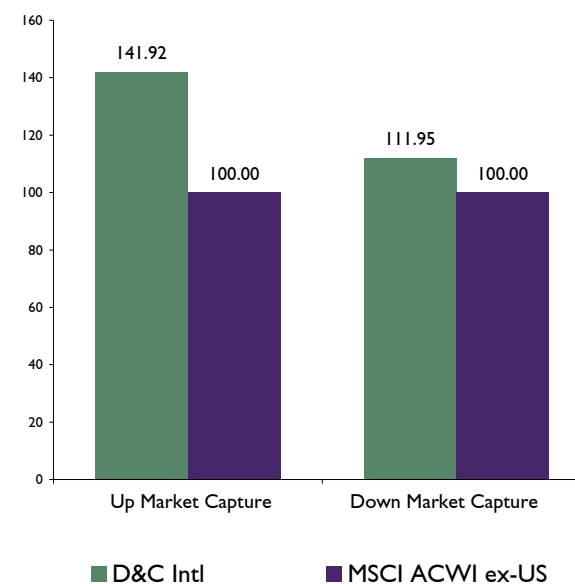
Performance-Based Analysis as of December 31, 2006

3-Year Rolling Returns

Returns vs. MSCI ACWI Val ex-US
Non-US Equity Mutual Funds Universe



Up Market/Down Market Capture -- 5 Years



	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	24.0	25.4	27.6	36.6	28.1	28.9	16.7	17.2
25th Percentile	20.5	23.1	24.2	31.7	24.2	25.3	12.2	12.3
Median	19.3	21.0	22.0	29.5	21.8	21.9	9.9	9.3
75th Percentile	17.1	19.2	20.3	27.3	19.5	20.4	7.9	7.3
95th Percentile	15.7	18.0	18.8	25.1	17.4	18.6	5.8	5.5
Member Count	87	89	90	91	91	92	93	97
D&C Intl (A) ◆	25.6	27.4	33.4	42.2	32.2	34.4	19.6	17.6
MSCI ACWI ex-US (B) ■	21.8	23.9	25.8	33.5	26.2	27.2	14.1	13.1
MSCI ACWI Val ex- (C) ●	24.3	26.7	28.6	37.3	29.6	30.8	17.1	16.0

Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Arnerich Massena & Associates, Inc. ~ Quarter Ending December 31, 2006

Artisan International Inv

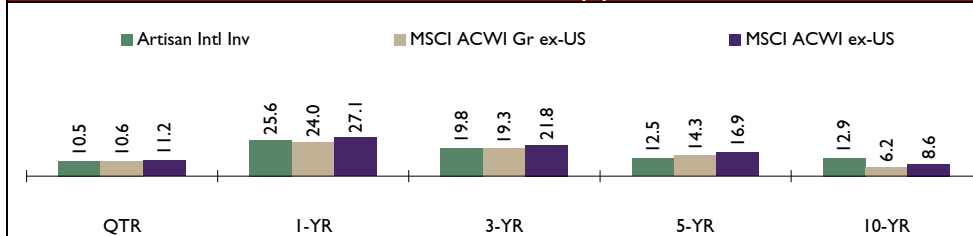
Holdings-Based Analysis

Country Weights' 12/31/06		Portfolio Characteristics 12/31/06		Portfolio Statistics 12/31/06			
DEVELOPED MARKETS Europe United Kingdom Germany France Asia Pacific Japan Hong Kong Australia Canada EMERGING MARKETS Latin America Asia Eur/Mid E/Africa	<div><div></div><div></div></div> <div>85.8% 85.2%</div>	Avg Mkt Cap (\$ Mil.)	\$29,400	Vs. Asset Class Benchmark			
			Number of Holdings	102	Manager		
			Portfolio Information		Index		
			Expense Ratio	1.20%	Standard Deviation (%)		
			I2b-1 Fee Included	N/A	3-Year		
			Morningstar Average (07/31/06)	1.62%	10.51 10.18		
			Minimum Investment	\$1,000	5-Year		
			Avg. Annual Turnover	58%	15.08 13.62		
			Top Holdings 09/30/06		Beta (Benchmark Specific Risk)		
					3-Year		
				1.00 1.00			
				5-Year			
				1.07 1.00			
				Alpha (Added Value Relative to Benchmark)			
				3-Year			
				-1.6% N/A			
				5-Year			
				-4.7% N/A			
				Sharpe Ratio			
				3-Year			
				1.60 1.85			
				5-Year			
				0.67 1.07			
				R-Squared (3-Year Trailing)			
				vs. Asset Class Benchmark			
				0.93 N/A			
				vs. Style Benchmark			
				0.95 N/A			
		Manager Information					
		Lead Manager		Mark L. Yockey			
		Average Tenure on Product		1995			
		Ticker		ARTIX			
		Prospectus Information		www.artisanfunds.com			

¹Representative Index Weights as of December 31, 2006

¹Representative Index Weights as of December 31, 2006

Net Historical Performance as of December 31, 2006³ (%)



Fund Strategy

Artisan International Fund seeks long-term capital growth. The Fund ordinarily invests at least 65% of assets in stocks of foreign companies in a portfolio that is broadly diversified by country, industry and company. Investments are generally traded in currencies other than U.S. dollars, so the Fund buys and sells foreign currencies to facilitate transactions in portfolio securities. It usually does not hedge against possible variations in exchange rates. The maximum investment in any single industry is 25% and no more than 5% of assets may be invested in securities of a single issuer.

Russell Percentile Rank²

Year-End Assets (\$ Mil.)				
QTR.	1-YR.	3-YR.	5-YR.	10-YR.
41	43	35	69	8
(87)	(87)	(87)	(86)	(61)

²Percentile Rank is based on the Russell International style mutual funds, universe, 1 being the highest and 100 the lowest. Number in parentheses represents the number of funds in the universe during the stated time period.

Notes

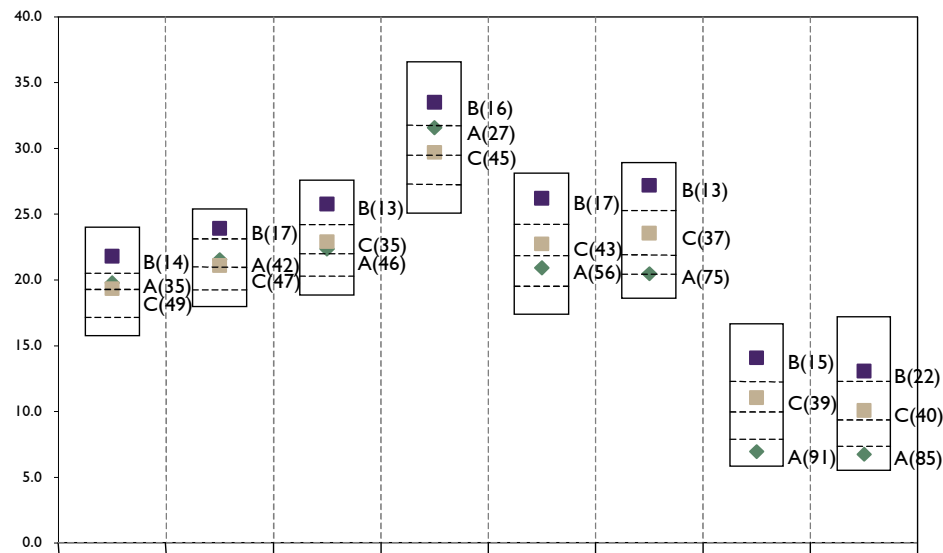
³Mutual fund inception date was January 1996. Performance prior to mutual fund inception date is the same style gross composite less the mutual fund expense ratio.

Artisan International Inv

Performance-Based Analysis as of December 31, 2006

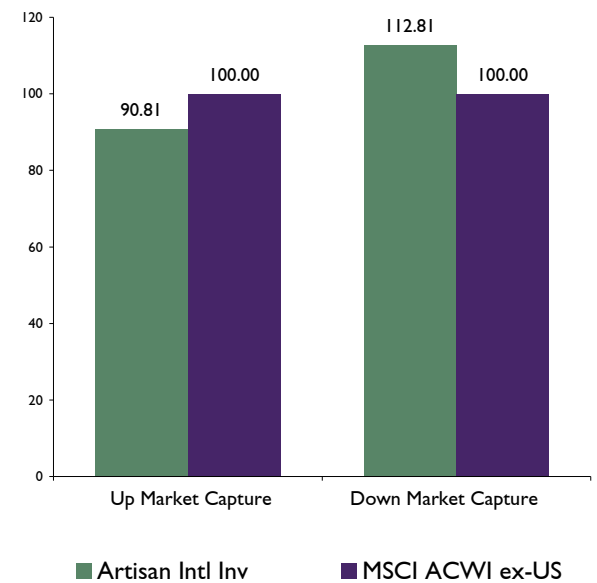
3-Year Rolling Returns

Returns vs. MSCI ACWI Gr ex-US
Non-US Equity Mutual Funds Universe



	3 Years Ending 4Q06	3 Years Ending 3Q06	3 Years Ending 2Q06	3 Years Ending 1Q06	3 Years Ending 4Q05	3 Years Ending 3Q05	3 Years Ending 2Q05	3 Years Ending 1Q05
5th Percentile	24.0	25.4	27.6	36.6	28.1	28.9	16.7	17.2
25th Percentile	20.5	23.1	24.2	31.7	24.2	25.3	12.2	12.3
Median	19.3	21.0	22.0	29.5	21.8	21.9	9.9	9.3
75th Percentile	17.1	19.2	20.3	27.3	19.5	20.4	7.9	7.3
95th Percentile	15.7	18.0	18.8	25.1	17.4	18.6	5.8	5.5
Member Count	87	89	90	91	91	92	93	97
Artisan Intl Inv (A) ◆	19.8	21.6	22.4	31.6	20.9	20.5	7.0	6.7
MSCI ACWI ex-US (B) ■	21.8	23.9	25.8	33.5	26.2	27.2	14.1	13.1
MSCI ACWI Gr ex- (C) ●	19.3	21.1	22.9	29.7	22.7	23.6	11.0	10.1

Up Market/Down Market Capture -- 5 Years



Source of Portfolio Statistics & Universe Comparisons: Russell Mellon Analytics

Arnerich Massena & Associates, Inc. ~ Quarter Ending December 31, 2006

Glossary Of Terms

ADR

American Depository Receipt – a negotiable receipt for the shares of a foreign-based corporation held in trust by a U.S. bank that entitles a shareholder to all dividends and capital gains.

Alpha

Alpha is a statistical calculation based on a manager's beta and the rate of return of the index over the period. Alpha measures whether a manager has added to or detracted from returns on a risk-adjusted basis. Alpha can be used when comparing dissimilar products because alpha is adjusted for risk and therefore the product with the highest alpha added the most historical value relative to its risk level.

Annualized Return

Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return is projected as though the same performance continues to occur for a twelve-month time period.

Assets Managed in Style

The total assets managed in all investment vehicles of the investment style.

Average Market Capitalization (\$ Wtd.)

The average market capitalization of all stocks in a given portfolio, weighted by each company's portion of the portfolio's market value.

Beta

Beta measures volatility, which is often equated to perceived risk. Beta is always calculated relative to a benchmark. The index, by definition, has a beta of 1.0. If a product has a beta higher than 1.0, this indicates greater historical return volatility relative to the index; the opposite is true if beta is lower than 1.0.

Book Value

The balance sheet value of assets minus the balance sheet value of liabilities. Also known as shareholders' equity.

Bottom-Up Investment Approach

The investment manager concentrates on fundamental analysis of a company's financial statements. In addition, an investment manager may examine other aspects of the company such as strength of management, new product lines, valuation, historic record, etc.

Cumulative Annualized Rate of Return

Funds appear in order of their absolute rate of return over a common time period, with the highest rate of return appearing first.

Cycle Analysis

The index, by definition, automatically has an Up-Cycle of 100. If a manager has an Up-Cycle number higher than 100, the manager has historically captured more than 100% of the rising market. If a manager has a Down-Cycle number of less than 100, the manager has historically captured less than 100% of the falling market.

Dividend

A payment issued by a company that distributes a portion of its value, usually in the form of cash.

Glossary Of Terms - Continued

Duration

The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price. (A bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Earnings

Earnings are a company's accounting profits or losses, typically reported four times each year.

Emerging Markets

Countries whose economies are considered emerging or underdeveloped.

Fundamental

A company's underlying financial situation.

Growth Style Investing

Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Hedging

A strategy designed to reduce risk by offsetting potential losses from existing investments. This practice is often used in international investing, where investment managers often use hedging techniques to reduce exposure to fluctuating currencies.

Investment Vehicle

The account type that an investor can gain access to an investment manager. Examples of investment vehicles are pooled or commingled funds, mutual funds, separate accounts, and limited partnerships.

Large Cap

Large Capitalization – refers to those companies with a market capitalization of greater than \$10 billion.

Liquidity

The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Market Capitalization

The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Median Market Capitalization (\$ Wtd.)

The market capitalization of the stock that represents the middle of the portfolio's cumulative market value. Half of the portfolio is invested in stocks larger than the median and the other half is invested in stocks smaller than the median.

Micro Cap

Micro Capitalization – refers to those companies with a market capitalization of less than \$500 million.

Glossary Of Terms - Continued

Mid Cap

Mid Capitalization – refers to those companies with a market capitalization between \$2 and \$10 billion.

Net of Fees

After subtraction of management fees.

Portfolio

Refers to the complete list of securities held in an investment vehicle.

Price-to-earnings (P/E) ratio

Calculated by dividing the current share price by the trailing twelve-months earnings per share.

Price-to-book (P/B) ratio

Calculated by dividing the share price by the book value per share.

Relative Rank

"Rank" reflects funds' performance within the full universe of comparable products, which includes similar investment styles and objectives. The rank reflects which percentile the manager's absolute rate of return falls within relative to its peer universe, with 1=highest and 100=lowest.

R-Squared (Coefficient of Determination)

A statistical measure of the degree to which the movements of two variables are related. An R-Squared closer to 1.0 indicates that the two variables tend to behave similarly or that by knowing one variable you can closely estimate the other variable.

Sharpe Ratio

A risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio is calculated for the past 36 month period by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess returns.

Small Cap

Small Capitalization – refers to those companies with a market capitalization between \$500 million and \$1.99 billion.

Standard Deviation

Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Top-Down Investment Approach

The investment manager concentrates on analyzing the economy and investment environment to identify attractive economic sectors for investment. In international investing, a top-down investment approach is often used to identify attractive countries or regions for investment.

Glossary Of Terms - Continued

Treynor Ratio

The Treynor ratio is the return premium earned over the risk free rate by the series for each unit of risk taken, with risk measured as the beta of the series or portfolio relative to the market.

Value Added

Based on alpha, value-added shows how much value a manager added, after adjustment for the amount of volatility (risk) that a manager has experienced. A value-added of 1.0 means a manager has added 1% to annualized returns.

Value Style Investing

Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

Years

This evaluation is based on quarterly return observations from inception for all advisors and the corresponding index.

Index Descriptions

Fixed Income Indices

90-Day Treasury Bills Index

This is Merrill Lynch's index of U.S. Treasury Bills up to 90 days to maturity.

Lehman Brothers Aggregate Bond Index

The LB Aggregate is a compilation of the LB Government Bond Index, the LB Corporate Bond Index, and the LB Mortgage-Backed Securities Index. The *government bond index* includes all public obligations of the U.S. Treasury (excluding foreign-targeted issues), all publicly issued debt of U.S. government agencies, and corporate debt guaranteed by the U.S. Government. All issues have at least one year to maturity. The *corporate bond index* includes all publicly issued, fixed-rate, non-convertible investment grade domestic corporate debt and Yankee bonds (Yankee bonds are dollar-denominated international bonds that are primarily traded in the U.S.). All issues have at least one year to maturity. The *mortgage-backed securities index* includes all fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and the Federal National Mortgage Association (FNMA).

Lehman Brothers Intermediate Government/Credit Bond Index

This index is a combination of the LB Government Bond Index and LB Corporate Bond Index. (See descriptions under *LB Aggregate Bond Index*.) In the intermediate index, all issues have maturities between 1 and 9.9997 years.

Balanced Index

U.S. Balanced Index

The U.S. Balanced Index is a weighted average of 55% S&P 500 Index, 40% Lehman Brothers Aggregate Index, and 5% 90-Day Treasury Bills.

Index Descriptions - Continued

U.S. Equity Indices

Russell 3000® Index

Measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. As of the latest reconstitution (June 30, 2004), the average market capitalization was approximately \$4.4 billion; the median market capitalization was approximately \$822 million. The index had a total market capitalization range of approximately \$176 million to \$317.8 billion.

Russell 1000® Index

Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution (June 30, 2004), the average market capitalization was approximately \$12.1 billion; the median market capitalization was approximately \$4.0 billion. The index had a total market capitalization range of approximately \$1.6 billion to \$317.8 billion.

Russell 1000® Growth Index

Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index

Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Midcap Index

Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 26% of the total market capitalization of the Russell 1000 Index. As of the latest reconstitution (June 30, 2004), the average market capitalization was approximately \$4.2 billion; the median market capitalization was approximately \$3.2 billion. The index had a total market capitalization range of approximately \$1.6 billion to \$12.3 billion.

Russell Midcap™ Growth Index

Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The stocks are also members of the Russell 1000 Growth index.

Russell Midcap™ Value Index

Measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. The stocks are also members of the Russell 1000 Value index.

Russell 2500™ Index

Measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which represents approximately 17% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution (June 30, 2004), the average market capitalization was approximately \$993 million; the median market capitalization was approximately \$640 million. The index had a total market capitalization range of approximately \$176 million to \$4.0 billion.

Russell 2500™ Growth Index

Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2500™ Value Index

Measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

Index Descriptions - Continued

Russell 2000® Index

Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution (June 30, 2004), the average market capitalization was approximately \$607 million; the median market capitalization was approximately \$496 million. The index had a total market capitalization range of approximately \$176 million to \$1.6 billion.

Russell 2000® Growth Index

The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000® Value Index

The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. It is a market value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. The "500" is one of the most widely used benchmarks of U.S. equity performance. Currently there are approximately 105 industry groups. As of June 30, 2004 the S&P 500 had a weighted average market capitalization of \$90.6 billion and a weighted median market capitalization of \$48.0 billion. (Median market cap indicates that 50% of the total market value is invested in companies of market capitalization's equal to or greater than the median.)

S&P Midcap 400 Index

The S&P Midcap 400 Index consists of 400 domestic stocks chosen for market size, liquidity, and industry group representation. It is also a market value weighted index and was the first benchmark of midcap stock price movement. As of June 30, 2004, 75.8% of the portfolio value of the index was in mid sized companies (\$2.0-\$10.0 billion market capitalization). The remaining 24.2% was in small companies (<\$2 billion market capitalization). The weighted average market capitalization as June 30, 2004 was \$3.3 billion and the weighted median market capitalization was \$2.9 billion.

S&P SmallCap 600 Index

The S&P SmallCap 600 Index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. It is a market value weighted index (stock price times the number of shares outstanding), with each stock's weight in the Index proportionate to its market value.

Wilshire 5000 Index

Measures the performance of all U.S. headquartered equity securities with readily available price data. Over 7,000 capitalization weighted security returns are used to adjust the index. The Wilshire 5000 base is its December 31, 1980 capitalization of \$1,404.596 billion.

Index Descriptions - Continued

International Equity Indices

Morgan Stanley Capital International All Country World Index ex-U.S. (MSCI ACWI ex-U.S.)

The MSCI ACWI ex-US is a market-capitalization-weighted index, combining 48 of the world's developed and emerging markets, excluding the US. As of June 30, 2004, emerging markets exposure was 9.7%; Europe was represented 58.5% Asia/Pacific was 26.7 and Canada was 5.3%. The largest single country weighting was the South Africa at 21.2%, with the United Kingdom following at 17.5%.

Morgan Stanley Capital International Europe, Australia, Far East Index (MSCI EAFE)

The MSCI EAFE Index is a market-value-weighted combination of 21 countries, representing the "developed" world. As of June 30, 2004, Europe represented 68.6% and Asia/Pacific 31.4%. Japan was the largest single country weighting at 23.0% followed by The United Kingdom at 22.5%.

Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Free)

The MSCI Emerging Markets Index is a market-value-weighted combination of 26 countries, representing "lesser developed" markets. As of June 30, 2004, Brazil, China, Korea, South Africa, and Taiwan were the largest holdings, each with roughly 8-19%.

Morgan Stanley Capital International All Country World Index (MSCI ACWI)

The MSCI ACWI is a market-value-weighted combination of 23 countries, representing the "developed" world and 27 countries representing emerging markets. As of June 30, 2004, the United States was the largest single country weighting representing 52.5% of the index. The United Kingdom was the next largest single country weighting at 10.01%, followed by Japan at 8.97%.

Notes to Accompany Investment Advisor Statistics

Explanation of Characteristics

Beta: Beta measures volatility, which is often equated to “riskiness.” Increased volatility may mean increased risk of a negative return in any given period. Beta must always be calculated relative to a benchmark of some sort. The index has an automatic beta of 1.0. Manager beta of higher than 1.0 indicates greater volatility relative to the benchmark; lower than 1.0 indicates less volatility.

Alpha: Alpha is a statistical calculation based on a manager’s beta and the rate of return of the index over the period. It measures whether a manager’s efforts have added to or detracted from expected returns on a risk-adjusted basis. A positive alpha indicates added value and is therefore good.

Standard Deviation: This measures the range of returns and is based on a bell curve. Managers with a lower standard deviation than the index have returns which tend to fall closer to their mean return over a certain time period. Managers with a higher standard deviation than the index have returns which tend to be farther-flung. This is another measure of volatility. The higher the standard deviation, the more volatile the manager.

Sharpe Ratio: A risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund’s historical risk-adjusted performance. The Sharpe Ratio is calculated by dividing a fund’s annualized excess returns by the standard deviation of a fund’s returns over a certain time period.

R-Squared: R-Squared measures the degree to which a manager’s returns are explained by an index return. We use R-Squared to determine the correct index as a manager’s benchmark. An R-Squared of 1.0 indicates that 100% of the manager’s performance is explained by the index. As the R-Squared moves down from 1.0, the characteristics of the manager portfolio become less and less like the given index.

Cycle Analysis: The index automatically has an Up-Cycle number of 100. If a manager has an Up-Cycle number greater than 100, that manager captures more than 100% of the index in rising markets. If a manager has a Down-Cycle number of less than 100, that manager does not go down as much as the index in falling markets.

Relative Rank: “Rank” reflects funds’ performance within a universe of similarly styled Equity, Fixed or Balanced managers. The number here reflects within which percentile the manager’s absolute rate of return falls, with 1-highest and 100-lowest. The number of managers included in the universe is indicated in the member count.

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Portions of the report were also prepared using secondary data from Russell Mellon Analytics (RPU) computer software and selected information in the RPU database. Neither Arnerich Massena & Associates nor Russell Mellon assumes responsibility for the accuracy of these valuations or return methodologies, though reasonable care has been taken to assure the accuracy of the RPU computer software and database.

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